ABLE ENERGY INC
Form S-1/A
December 20, 2005

REGISTRATION NO. 333-130206

As filed with the Securities and Exchange Commission on December 20, 2005

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

AMENDMENT NO. 1 TO
FORM S-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933, AS AMENDED

ABLE ENERGY, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	22-3520840
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

198 GREEN POND ROAD
ROCKAWAY, NEW JERSEY 07866
(973) 625-1012
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

CHRISTOPHER P. WESTAD
198 GREEN POND ROAD
ROCKAWAY, NEW JERSEY 07866
(973) 625-1012
PRESIDENT
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

Gregory D. Frost, Esq.	Adam D. Eilenberg, Esq.
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New York, New York 10036	New York, New York 10017

Approximate date of commencement of proposed sale to public: As soon as practicable after the effective date of the registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. |X|

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_|

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_|

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_|

The registrant hereby amends the registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The registrant hereby amends the registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS

ABLE ENERGY, INC.

1,569,970 SHARES OF COMMON STOCK

Certain of our security holders may offer, from time to time, up to 1,569,970 shares of our common stock that may be acquired by the selling security holders in the future, including 500,004 shares that may be acquired upon conversion of convertible debentures, 39,965 shares that may be acquired in lieu of cash payments of interest on the debentures and 1,030,001 shares that may be acquired upon exercise of warrants. Because the terms of the debentures and the warrants allow for adjustments in the numbers of shares issuable upon their conversion or exercise, we do not know the actual number of shares that will be acquired and offered by the selling security holders. The number of shares covered by this prospectus includes a good faith estimate of the number of shares that will be acquired by the selling security holders upon the conversion of the debentures and the exercise of the warrants, and is based on the requirement set forth in a registration rights agreement between us and the holders of the debentures and the warrants that we register 130% of the shares we currently calculate as being issuable upon conversion or exercise. Therefore, the number of shares covered by this prospectus may differ from the actual number of shares ultimately acquired and offered by the selling security holders, in which case we may file an amendment or supplement to this prospectus.

Able Energy, Inc. itself is not offering any shares.

The selling security holders may, from time to time, sell shares:

- o through the NASDAQ SmallCap Market, in the over-the-counter market, in privately-negotiated transactions or otherwise;
- o directly to purchasers or through agents, brokers, dealers or underwriters; and
- o at market prices prevailing at the time of sale, at prices related to the prevailing market prices, or at negotiated prices.

Our common stock is traded and quoted on the Nasdaq SmallCap Market under the symbol "ABLE". The closing price of the common stock on the Nasdaq SmallCap Market on December 2, 2005 was $8.19.

See "Risk Factors" beginning on page 7 to read about certain factors investors should consider before buying our securities.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 20, 2005

TABLE OF CONTENTS

No dealer, sales representative or any other person has been authorized to give any information or to make any representations in connection with this offering other than those contained or incorporated by reference in this prospectus, as supplemented or amended from time to time by Able Energy, and, if given or made, such information or representations must not be relied upon as having been authorized by Able Energy. This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities by any person in any jurisdiction in which such an offer, solicitation or sale would be unlawful. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Able Energy since the date of this prospectus or that the information contained in this prospectus is correct as of any time subsequent to the date of this prospectus.

AVAILABLE INFORMATION

Able Energy is subject to the informational requirements of the Exchange Act and, accordingly, files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information may be inspected and copied at the Commission's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The Commission maintains a Web site at HTTP://WWW.SEC.GOV that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission.

Able Energy has filed with the Commission a registration statement on Form S-1 under the Securities Act with respect to the securities offered in this offering. This prospectus does not contain all of the information set forth in the registration statement, as permitted by the rules and regulations of the Commission. For further information with respect to Able Energy and the securities offered, reference is made to the registration statement. Statements contained in this prospectus or in any document incorporated by reference regarding the contents of any agreement or other document are not necessarily complete and are qualified in their entirety by reference to that agreement or document. The registration statement may be inspected without charge at the office of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and copies may be obtained from the Commission at prescribed rates.

2

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this prospectus and any prospectus supplement, and in the documents incorporated by reference, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 2B of the Exchange Act. For this purpose, any statements contained in this prospectus and any prospectus supplement, or incorporated by reference, that are not statements of historical fact may be deemed to be forward-looking statements. For example, the words "believes," "plans," "expects" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause the results of Able Energy to differ materially from those indicated by forward-looking statements. These factors include those set forth in this prospectus under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

3

RECENT DEVELOPMENTS

PRIVATE PLACEMENT OF CONVERTIBLE DEBENTURES AND WARRANTS

On July 12, 2005, we consummated a financing with the selling security holders listed in the "Selling Security Holders" section below in the amount of $2.5 million. Such selling security holders acquired debentures evidenced by a Variable Rate Convertible Debenture (the "Convertible Debentures"). The Convertible Debentures shall be repaid within two years from the date of issuance, subject to the occurrence of an event of default, with interest payable at the rate per annum equal to LIBOR for the applicable interest period, plus 4% payable on a quarterly basis. The Debentures may be converted at the option of the selling security holders into shares of our common stock at a conversion price of $6.50 per share. In addition, the selling security holders received five (5) year warrants to purchase 192,308 of common stock at an exercise price of $7.15 per share. We have an optional redemption right (which right shall be mandatory upon the occurrence of an event of default) to repurchase all of the Convertible Debentures for 125% of the face amount of the Convertible Debentures plus all accrued and outstanding interest and expenses, as well as a right to repurchase all of the Convertible Debentures in the event of the consummation of a new financing in which we sell securities at a purchase price that is below the $6.50 conversion price.

The Convertible Debentures and warrants contain restrictions on their conversion or exercise in certain circumstances. A holder will not be permitted to convert a Convertible Debenture or exercise a warrant if such conversion or exercise would result in such holder beneficially owning more than 4.99% of the number of shares of our common stock outstanding immediately after the conversion or exercise. Also, unless the separate approval of our shareholders has previously been obtained, we may not issue upon conversion of a Convertible Debenture or exercise of a warrant a number of shares of common stock which, when aggregated with all shares issued upon prior conversions of Convertible Debentures and exercises of warrants, would exceed 19.99% of the number of shares of our common stock outstanding immediately preceding the date on which the Convertible Debentures and warrants were originally issued.

The Convertible Debentures and warrants contain anti-dilution provisions that would reduce the conversion price of the Convertible Debentures and the exercise price of the warrants in certain circumstances. These anti-dilution provisions would be triggered in the event that we sell, grant an option to purchase, or otherwise dispose of or issue, shares of our common stock at an effective price lower than the conversion price, in the case of the Convertible Debentures, or the exercise price, in the case of the warrants. When these anti-dilution provisions are triggered, it increases the number of shares of common stock issuable upon conversion of the Convertible Debentures and exercise of the warrants. For example, if we were to sell 100,000 shares of our common stock at $4.10 per share (50% of the closing price of $8.19 on Nasdaq on December 2, 2005) or at $6.14 (75% of the closing price of $8.19 on Nasdaq on December 2, 2005), both of which are lower price than the current conversion price of the Convertible Debentures and exercise price of the warrants, the number of shares of common stock issuable upon conversion of the outstanding Convertible Debentures would increase from 384,615 shares to 609,756 shares, in the case of a sale at $4.10, and 407,166 shares, in the case of a sale at $6.14, and the number of shares issuable upon exercise of the outstanding warrants would increase from 192,308 shares to 355,366 shares, in the case of a sale at $4.10, and 223,578 shares, in the case of a sale at $6.14.

Anti-Dilution Effect
(Based on Closing Price of $8.19 as of December 2, 2005)

	No Dilution	Shares Issuable based On Issuance at 50% of Closing Price	Shares Issuable based On Issuance at 75% of Closing Price
Debentures	384,618	609,756	407,166
Warrants	192,308	355,366	223,578

The conversion price of the Convertible Debentures and the exercise price of the warrants would also be adjusted to account for any stock dividends, splits, or pro rata distributions to holders of our common stock.

The selling security holders originally had an additional investment right under certain conditions to purchase units consisting of convertible debentures in the aggregate amount of up to $15,000,000 (the "Additional Debentures") and common stock purchase warrants equal to 50% of the face amount of such Additional Debentures (the "Additional Warrants"). The rights of our company and the selling security holders relating to the Additional Debentures and Additional Warrants were eliminated as of November 16, 2005, and the original purchase agreement was amended to issue the selling security holders a series of warrants (the "New Warrants") at an exercise price of

$7.50. In the aggregate, the New Warrants permit the selling security holders to acquire up to 5.25 million shares of our common stock upon proper exercise.

Notwithstanding any of the foregoing, until the required shareholder approvals are obtained, the selling security holders have agreed not to convert any convertible debentures or exercise any warrants which in the aggregate would exceed 19.999% of the number of shares of the Company's common stock on the trading day prior to the date of the original purchase agreement.

LOAN TO ALL AMERICAN

On July 27, 2005, we made a loan in the amount of $1,730,000 to All American Plazas, Inc. ("All American"), and All American executed and delivered a Promissory Note for the full amount of the loan in favor of our company. Under the terms of the Promissory Note, the outstanding principal of the loan bears interest at the rate of 3.5% per annum. All payments of principal and accrued interest were payable ninety days after the date of the Promissory Note. The Promissory Note is secured by a lien on 1,000,000 shares of our common stock owned by All American, on which 1,000,000 shares there exists a prior lien held by Timothy Harrington, our former Chief Executive Officer. As of the date of this prospectus, the loan has not been repaid.

All American currently owns approximately 40% of our outstanding shares. Our CEO, Chairman and General Counsel, Gregory D. Frost, formerly served as a director and the General Counsel of All American until his resignation on March 31, 2005, and our Vice President Business Development, Frank Nocito, is Vice President of All American. In addition, one of our directors, Stephen Chalk, performs certain paid consulting services in the area of real estate development for All American.

AUDIT COMMITTEE INVESTIGATION AND INFORMAL SEC INQUIRY

On July 28, 2005, our Audit Committee retained independent counsel to assist in its investigation of information recently forwarded to the Audit Committee regarding trading of our securities. On August 10, 2005, we were informed by a letter from the Securities and Exchange Commission that it is conducting an informal inquiry regarding our Audit Committee investigation. We will cooperate fully with and assist the SEC in this informal inquiry.

GSN LETTER OF INTENT

On August 15, 2005, we announced that we have entered into an assignment agreement with TruckStops Direct (TSD) wherein TSD has assigned to us all of its rights in an executed letter of intent with GSN Interstate Truck Stop Network Inc. (GSN). TSD, an affiliate of All American, has entered into this agreement on our behalf. This letter of intent provides that the purchaser would obtain the right to acquire the stock of GSN in exchange for $2 million dollars in cash and stock. GSN, located in Janesville, Wisconsin, consists of 160 locations that would complement our business. It should be noted that TSD operates a similar business to that of GSN with 150 independent truck plazas. We would convert under this joint venture arrangement most, if not all, independent truck plaza locations into additional distribution outlets for our home heating oil business utilizing our PriceEnergy software platform. Closing on this acquisition is expected to occur in early 2006.

PHS GROUP LETTER OF INTENT

On September 8, 2005, we signed a letter of intent with respect to the purchase by us of all of the issued and outstanding shares of PHS Group, Inc., Somerset Oil Inc., Somerset Refinery, Inc., South Kentucky Purchasing, Inc., and Somerset Environmental Services, Inc. (the "Sellers"). PHS Group, Inc., currently owns all the issued and outstanding stock of the other Sellers. The Sellers are located in Somerset, Kentucky where their primary business is the operation of Somerset Refinery, Inc., which has a processing capability of 5500 barrels of oil per day. The refinery primarily produces gasoline at octanes of 87, 89, 91, diesel fuel and heavy fuel oils for homes and industry furnaces. In addition, presently, Somerset Refinery, Inc., supplies product to 13 Somerset Oil Stations in 11 counties in the state of Kentucky, 16 other stations using their equipment and tanks as well as 17 other privately owned gas stations. The aggregate purchase price would be approximately $19.5 million, including an assumption by us of approximately $10.5 million in outstanding debt of the Sellers. The letter of intent provides for a 30-day due diligence period from the date of its signing, during which period the Sellers agreed not to directly or indirectly solicit and/or accept other offers for the sale of their stock or assets

or to place any lien on their stock or assets outside the normal course of business. The letter of intent provides for a reasonable time after the conclusion of the 30-day due diligence period for the parties to execute a definitive purchase and sale agreement, with the closing of the transaction to occur thirty days after execution of such definitive agreement.

RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING FACTORS, IN ADDITION TO THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, IN CONNECTION WITH INVESTMENTS IN THE SECURITIES OFFERED HEREBY. THIS PROSPECTUS CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WHICH INVOLVE RISKS AND UNCERTAINTIES. THE COMPANY'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS AS A RESULT OF CERTAIN FACTORS, INCLUDING THOSE SET FORTH BELOW AND ELSEWHERE IN THIS PROSPECTUS. AN INVESTMENT IN THE SECURITIES OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK.

LIMITED OPERATING HISTORY; MANAGEMENT OF GROWTH; SUBSTANTIAL LONG-TERM DEBT.

The Company was incorporated in March 1997 to act as a holding company for its operating subsidiaries. Able Oil, the Company's major operating subsidiary, has been in business since 1989 and currently accounts for approximately 80% of the Company's total revenue. The Company's remaining subsidiaries have limited operating histories upon which evaluation of their prospects can be made. There can be no assurance that the subsidiaries, other than Able Oil, will generate substantial revenues or attain profitable operations. The Company plans to continue to pursue an aggressive growth strategy through its operating subsidiaries, and anticipates significant change in its business activities and operations. The Company's growth has required, and will continue to require, increased investment in management personnel, financial and management systems and controls and facilities. The Company's past expansion has placed, and any future expansion would place, significant demands on the Company's administrative, operational, financial and other resources. The Company intends to continue to expand its business and operations, including entry into new markets, that will place additional strain on the Company's management and operations. The Company's future operating results will depend, in part, on its ability to continue to broaden the Company's senior management group and administrative infrastructure, and its ability to attract, hire and retain skilled employees. The Company's success will also depend on the ability of its officers and key employees to continue to implement and improve the Company's operational and financial control systems and to expand, train and manage its employee base. In addition, the Company's future operating results will depend on its ability to expand its sales and marketing capabilities and expand its customer support operations commensurate with its growth, should such growth occur. If the Company's revenues do not increase in proportion to its operating expenses, the Company's management systems do not expand to meet increasing demands, the Company fails to attract, assimilate and retain qualified personnel, or the Company's management otherwise fails to manage the Company's expansion effectively, there would be a material adverse effect on the Company's business, financial condition and operating results. As of September 30, 2005, the Company had long term liabilities of $4,340,068(1). The Company's ability to satisfy such obligations will depend on the Company's future operating performance, which will be affected by, among other things, prevailing economic conditions and financial, business and other factors, many of which are beyond the Company's control. There can be no assurance that the Company will be able to service its indebtedness. If the Company is unable to service its indebtedness, it will be forced to examine alternative strategies that may include actions such as reducing or delaying capital expenditures, restructuring or refinancing its indebtedness, or the sale of assets or seeking additional equity and/or debt financing. There can be no assurance that any of these strategies could be effected on satisfactory terms, if at all.

SEASONAL FACTORS.

To date substantially all of the Company's revenues and income have been derived from the home heating oil business. The Company's home heating oil business is seasonal, as a substantial portion of its business is conducted during the fall and winter months. Weather patterns during the winter months can have a material adverse impact on its revenues. Although temperature levels for the heating season have been relatively stable over time, variations can occur from time to time, and warmer than normal winter weather will adversely effect the results of the Company's fuel oil operations.

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(1) As of September 30, 2005 the Company's total long term liabilities consisted of Convertible Debentures $278,533, Deferred Income $79,679; Deferred Income Taxes $107,852, and Long Term Debt $3,874,004.

FUEL PRICING: EFFECT ON PROFITABILITY.

Gasoline, heating oil and diesel fuel are commodities and, as such, their wholesale prices are subject to changes in supply or other market conditions over which the Company has no control. While, in the past, the Company has been able to pass on any increases in commodities prices to its customers, there can be no assurance that the Company may be able to fully pass on future increases in the wholesale prices of these commodities to its customers and still be competitive. Additionally, approximately 7% of the Company's total sales are made to customers pursuant to an agreement which pre-establishes the maximum sales price of fuel oil over a twelve-month period. Such prices are renegotiated in April of each year and the Company has historically purchased fuel oil for these customers in advance and at a fixed cost. Should the Company be unable to make such advance purchases of fuel oil, any future increase in wholesale fuel oil prices could have an adverse affect on the Company. Because the Company sells fuel to its customers at fixed amounts over its wholesale cost, the Company's gross profit as a percentage of gross revenue may not fluctuate as a result of changes in the wholesale prices of these goods. The Company does not engage in derivatives or futures trading to hedge fuel price movements.

GROWTH DEPENDENT UPON UNSPECIFIED ACQUISITIONS.

The Company's growth strategy includes the acquisition of existing fuel distributors. There can be no assurance that the Company will be able to identify new acquisition candidates or, even if a candidate is identified, that the Company will have access to the capital necessary to consummate such acquisitions. Furthermore, the acquisition of additional companies involves a number of additional risks. These risks include the diversion of management's attention from the operations of the Company, possible difficulties with the assimilation of personnel and operations of acquired companies, the amortization of acquired intangible assets, and the potential loss of key employees of acquired companies. The future success of the Company's business will depend upon the Company's ability to manage its growth through acquisitions.

GOVERNMENT REGULATION.

Federal, state and local laws, particularly laws relating to the protection of the environment and worker safety, can materially affect the Company's operations. The transportation of fuel oil, diesel fuel, propane and gasoline is subject to regulation by various federal, state and local agencies, including the U.S. Department of Transportation ("DOT"). These regulatory authorities have broad powers and the Company is subject to regulatory and legislative changes that can effect the economies of the industry by requiring changes in operating practices or influencing demand for, and the cost of providing, its services. Additionally, the Company is subject to random DOT inspections. Any material violation of DOT rules or the Hazardous Materials Transportation Act may result in citations and/or fines upon the Company. In addition, the Company depends on the supply of petroleum products from the oil and gas industry and, therefore, is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry generally. The Company cannot determine the extent to which future operations and earnings may be affected by new legislation, new regulations or changes in existing regulations.

POTENTIAL ENVIRONMENTAL LIABILITY.

The Company's operations are subject to all of the operating hazards and risks that are normally incidental to handling, storing, transporting and delivering fuel oils, gasoline, diesel and propane, which are classified as hazardous materials. The Company faces potential liability for, among other things, fuel spills, gas leaks and negligence in performing environmental clean-ups for its customers. Specifically, the Company maintains fuel storage facilities on sites owned or leased by the Company, and could incur significant liability to third parties or governmental entities for damages, clean-up costs and/or penalties in the event of certain discharges into the environment. Such liability can be extreme and could have a material adverse effect on the Company's financial condition or results of operations. Although the Company believes that it is in compliance with existing laws and regulations, there can be no assurance that substantial costs for compliance will not be incurred in the future. Any substantial violations of these rules and regulations could have an adverse affect upon the Company's operations. Moreover, it is possible that other developments, such as more stringent environmental laws, regulations and enforcement policies thereunder, could result in additional, presently unquantifiable, costs or liabilities to the Company.

NO ASSURANCE OF ADEQUATE INSURANCE PROTECTION.

The Company maintains insurance policies in such amounts and with coverage and deductibles as the Company' management believes are reasonable and prudent. There can be no assurance, however, that such insurance will be adequate to protect the Company from liabilities and expenses that may arise from claims for personal and property damage arising in the ordinary course of business or that such levels of insurance will be maintained by the Company or will be available at economic prices.

FRANCHISING.

The Company intends to expand franchise arrangements to expand its operations and revenue base. The Company's future growth may be dependent upon new franchisees and the manner in which they operate and develop their Able Energy locations to promote and develop the Company's concept and its reputation for quality and value. In addition, because the Company believes that a potential franchisee's total estimated investment relating to an Able Energy location is generally low, the Company may be more likely to attract franchisees with limited franchise experience and limited financial resources. As a result of its franchising activity, the Company is be subject to Federal Trade Commission ("FTC") regulation and various state laws that govern the offer, sale and termination of, and refusal to renew, franchises. Several state laws also regulate substantive aspects of the franchisor-franchisee relationship. The FTC requires the Company to furnish prospective franchisees a franchise offering circular containing prescribed information. A number of states in which the Company might consider franchising also regulate the sale of franchises and require registration of the franchise offering circular with state authorities. Substantive state laws that regulate the franchisor-franchisee relationship presently exist in many states, and bills have been introduced in Congress from time to time which would provide for federal regulation of the franchisor-franchisee relationship in certain respects. The state laws often limit, among other things, the duration and scope of non-competition provisions and the ability of a franchisor to terminate or refuse to renew a franchise.

TRADEMARKS AND SERVICE MARKS.

The Company believes that its trademarks and service marks have significant value and are important to the marketing of its products and services, especially if the Company is successful in implementing its franchise program. There can be no assurance, however, that the Company's proprietary marks do not or will not violate the proprietary rights of others, that the Company's marks would be upheld if challenged or that the Company would not be prevented from using its marks, any of which could have an adverse effect on the Company. In addition, there can be no assurance that the Company will have the financial resources necessary to enforce or defend its trademarks and service marks against infringement.

COMPETITION FROM ALTERNATE ENERGY SOURCES.

The Company is engaged primarily in the retail home heating business and competes for customers with suppliers of alternate energy products, principally natural gas and electricity. Every year, a small percentage of the Company's oil customers convert to other home heating sources, primarily natural gas. In addition, the Company may lose additional customers due to conversions during periods in which the cost of its services exceeds the cost of alternative energy sources.

COMPETITION FOR NEW CUSTOMERS.

The Company's business is highly competitive. In addition to competition from alternative energy sources, the Company competes with distributors offering a broad range of services and prices, from full service distributors similar to the Company, to those offering delivery only. Competition with other companies in the retail home heating industry is based primarily on customer service and price. Longstanding customer relationships are typical in the industry. Many companies, including the Company, deliver fuel to their customers based upon weather conditions and historical consumption patterns without the customers making an affirmative purchase decision each time fuel is needed. In addition, most companies, including the Company, provide equipment repair service on a 24 hour a day basis, which tends to build customer loyalty. The Company competes against companies that may have greater financial resources than the Company. As a result, the Company may experience difficulty in acquiring new retail customers due to existing relationships between potential customers and other retail home heating distributors.

ABSENCE OF WRITTEN AGREEMENTS.

Approximately 50% of the Company's customers do not have written agreements with the Company and can terminate services at any time, for any reason. Although the Company has never experienced a significant loss of its customers, if the Company were to experience a high rate of terminations, the Company's business and financial condition could be adversely affected.

RISKS ASSOCIATED WITH EXPANSION INTO NEW MARKETS.

A significant element of the Company's future growth strategy involves the expansion of the Company's business into new geographic and product markets. Expansion of the Company's operations depend, among other things, the success of the Company's marketing strategy in new markets, successfully establishing and operating new locations, hiring and retaining qualified management and other personnel, and obtaining adequate financing for vehicle and site purchases and working capital purposes.

DEPENDENCE ON KEY PERSONNEL.

The Company's future success will depend, to a significant extent, on the efforts of key management personnel, including Gregory D. Frost, the Company's Chief Executive Officer, Chairman and General Counsel, Christopher P. Westad, the Company's President, and Steven M. Vella, the Company's Chief Financial Officer. The loss of one or more of these key employees could have a material adverse effect on the Company's business. In addition, the Company believes that its future success will depend, in large part, upon its continued ability to attract and retain highly qualified management, technical and sales personnel. There can be no assurance that the Company will be able to attract and retain the qualified personnel necessary for its business.

10

USE OF PROCEEDS

The shares covered by this prospectus are being offered by holders of our securities. We will not receive any proceeds from the sale of those shares.

Some of the shares covered by this prospectus may be acquired upon the exercise of warrants held by the selling security holders. If all of those warrants were to be exercised, we would receive the aggregate exercise price of approximately $5,875,000. We will use any proceeds received upon exercise of the warrants for general corporate purposes.

OUR BUSINESS

GENERAL

Able Energy was incorporated on March 13, 1997 in the state of Delaware. Its current subsidiaries are Able Oil Inc., Able Energy New York, Inc., Able Energy Terminal LLC, PriceEnergy Franchising LLC, Able Melbourne, Inc. and PriceEnergy.com, Inc. Able Oil Inc., the Company's major operating subsidiary, has been in business since 1989. In March of 2004, the Company sold all of the assets of Able Propane Co to Liberty Propane of Overland Park, Kansas.

OVERVIEW

The Company is engaged in the retail distribution of, and the provision of services relating to, home heating oil, diesel fuel and, in New York State, propane gas. In addition to selling liquid energy products, the Company offers complete HVAC (heating, ventilation and air conditioning) installation and repair and also markets other petroleum products to commercial customers, including on-road and off-road diesel fuel, gasoline, and lubricants.

In fiscal year 2005, sales of home heating oil accounted for approximately 55% of the Company's revenues. The remaining 45% of revenues were from sales of gasoline, diesel fuel, kerosene, propane, home heating equipment services, and related sales. In fiscal year 2004, those percentages were 56% and 44%, respectively, and in fiscal 2003, they were 57% and 43%, respectively. The Company now serves approximately 32,000 home heating oil customers from four locations, which are located in Rockaway, New Jersey, Easton, Pennsylvania, Warrensburg, New York, and Melbourne, Florida. The Company also has three franchise locations, two of which are located in Pennsylvania and one in Norwalk, Connecticut.

The Company also provides installation and repair of heating equipment as a service to its customers. The Company considers service and installation services to be an integral part of its business. Accordingly, the Company regularly provides service incentives to obtain and retain customers. The Company provides home heating equipment repair service on a 24 hours a day, seven days-a-week basis, generally within four hours of request. The Company does provide service to non-customers from time to time as an incentive to gain new heating oil customers.

The Company believes that it obtains new customers and maintains existing customers by offering full service home energy products at discount prices, providing quick response refueling and repair operations, providing automatic deliveries to customers by monitoring historical use and weather patterns, and by providing customers a variety of payment options. The Company also regularly provides service incentives to obtain and retain customers. The Company aggressively promotes its service through a variety of direct marketing media, including mail and telemarketing campaigns, by providing discounts to customers who refer new customers to the Company, and through an array of advertising, including television advertisements and billboards, which aim to increase brand name recognition. The Company believes that this focused marketing strategy has been key to its success.

The Company intends to expand its operations by acquiring select operators in the Company's present markets as well as other markets, capturing market share from competitors through increased advertising and other means, diversifying its products, diversifying its customer base, and replicating its marketing and service formula in new geographic areas either directly or through franchise arrangements. The Company may also enter into marketing alliances with other entities in product areas different than the Company's current product mix.

RETAIL FUEL OIL

The Company's retail fuel oil distribution business is conducted through its subsidiaries Able Oil, Able Energy New York, Inc., and Able Melbourne as well as PriceEnergy Franchising LLC and over the Internet via its PriceEnergy.com subsidiary. The Company serves both residential and commercial fuel oil accounts. The Company sells premium quality home heating oil to its residential customers offering delivery seven days a week. In addition to selling home heating oil, the Company sells both "On-Road" and "Off Road" diesel fuels, gasoline, and kerosene to its commercial customers. The Company also provides oil burner service that is available 24 hours a day for the maintenance, repair, and installation of oil burners. These services are performed on an as needed basis. Customers are not required to enter into service contracts to utilize the Company's service department, however the Company does offer such service contracts if desired.

Approximately 50% of the Company's customers receive their home heating oil pursuant to an automatic delivery system without the customer having to make an affirmative purchase decision. A computer, based on each customer's historical consumption patterns and prevailing weather conditions, schedules these deliveries. Customers can also order deliveries of home heating oil through the Company's website located at www.ableenergy.com, or the website of the Company's subsidiary PriceEnergy at www.priceenergy.com. The Company delivers home heating oil approximately six times each year to the average customer. The Company bills customers promptly upon delivery or receives payment upon delivery. The Company's customers can pay for fuel deliveries with cash, check or credit card.

In addition, approximately 9% of the Company's total sales are made to customers pursuant to an agreement that pre-establishes the maximum annual sales price of fuel oil and is paid by customers over a ten-month period in equal monthly installments. Such prices are renegotiated in April of each year and the Company has historically purchased fuel oil for these customers in advance and at a fixed cost.

The Company delivers with its own fleet of 27 custom fuel oil trucks and 3 propane trucks (in New York State) and 5 owner-operator fuel oil delivery trucks. The Company's fuel trucks have fuel capacities ranging from 3,000 to 8,000 gallons. Each vehicle is assigned to a specific delivery route, and services between 4 and 40 customer locations per day depending on market density and customers' fuel requirements. The Company also operates 21 Company owned service vans and 1 owner-operated service van, which are equipped with state of the art diagnostic equipment necessary to repair and/or install heating equipment. The number of customers each van serves primarily depends upon the number of service calls received on any given day.

ABLE OIL

Able Oil was established in 1989 and is the Company's largest subsidiary, accounting for approximately 80% of the Company's total revenues in fiscal 2005. In 2004 and 2003, Able Oil contributed 79% and 78% of the Company's total revenues, respectively. Able Oil is headquartered in Rockaway, New Jersey, and serves just over 29,000 heating oil customer accounts throughout northern New Jersey, primarily in Morris, Sussex, Warren, Passaic and Essex counties, from its distribution locations in Rockaway, New Jersey, and in Pennsylvania primarily in Northampton and Lehigh counties, from its distribution locations in Easton, Pennsylvania. Of these accounts, approximately 94% are residential customers and 6% are commercial customers.

Generally, 21 of the Company's 27 fuel oil trucks are reserved for use by Able Oil, of which 18 trucks operate from the Rockaway facility and 3 trucks operate from the Easton, Pennsylvania, facility. In addition, Able Oil utilizes the services of 5 owner-operated trucks. Each owner operator is under contract; they are responsible for the entire vehicle operating expenses including insurance coverage. All of the trucks have the Company's logo on them.

Able Oil's 18 fuel oil delivery trucks, which operate from the Rockaway facility, and the 5 owner-operator trucks, acquire fuel inventory at the Company's facility in Rockaway, New Jersey. Dispatch of fuel oil trucks is conducted at the Rockaway facility. Billing is conducted from Able Energy's corporate headquarters in Rockaway.

The Rockaway and Newton (which is currently out of service) facilities have the capacity to store 1.5 million gallons and 200,000 gallons of fuel, respectively. During seasons where demand for heating oil is higher, or when wholesale oil prices are favorable, a slightly larger inventory is kept on hand. However, management generally believes that short inventory life and high inventory turnover enable the Company to rapidly respond to changes in

market prices. Thus, management employs a "just in time" inventory system and rarely stores fuel to capacity levels. Additional fuel oil purchases are made daily on the spot market and paid via electronic funds transfers. Able Oil carts its fuel purchases from wholesale purchase sites to the Rockaway and Newton facilities with two tractor-trailer tankers owned by the Company, and by two owner-operated tractor-trailer tankers that are used on an as needed basis. These two owner-operated tankers are under contract and bear the "Able" logo or name.

Able Oil's oil burner service operates out of the Rockaway facility. Able Oil dispatches a total of 22 service vans, 1 of which is subcontracted from an owner-operator.

ABLE MELBOURNE

Able Melbourne was established in July 1996, and is located in Cape Canaveral Florida. In fiscal years 2005, 2004, and 2003 revenues from Able Melbourne accounted for approximately 4% of the Company's total revenues. Able Melbourne is engaged primarily in the sale of diesel fuel for commercial fleet fueling and other on-road vehicles, and dyed diesel fuel, which is used for off-road vehicles and purposes, including commercial and recreational fishing vessels, heating oil, and generator fuel. Additionally, a small portion of Able Melbourne's revenues is generated from the sale of home heating oil, lubricants and lubricant products. Able Melbourne serves approximately 400 customer accounts in Brevard County, Florida, primarily in the Cape Canaveral Area.

Able Melbourne delivers fuel with two fuel delivery trucks, which are capable of storing 8,000 gallons of fuel in aggregate. Because Able Melbourne's peak season is at the opposite time of the year than the rest of the Company's, during this season, Able Melbourne uses one of Able Oil's trucks to meet its demand. Currently, Able Melbourne does not have facilities to store fuel oil beyond what is held on its trucks, and thus, purchases fuel inventory from local refineries. However, since Able Melbourne is located only three miles from port storage facilities, the lack of inventory capacity is not material to the Company's operations or revenue.

RETAIL PROPANE DISTRIBUTION

The Company is engaged in the retail distribution of propane gas and propane equipment, and provides services related thereto through its subsidiary Able Energy New York, Inc. ("Able Energy NY").

Propane can be used for virtually all household and business utility applications. Although burned as a gas, propane is transported as a liquid and stored in tanks that vaporize the liquid for use. Able Energy NY provides its propane customers with such tanks at no charge, and by doing so, remains such customer's exclusive supplier of propane. Able Energy NY employs a delivery system similar to the Company's retail oil distribution business, whereby customers receive propane deliveries pursuant to an automatic delivery system without the customer having to make an affirmative purchase decision. A computer, based on each customer's historical consumption patterns and prevailing weather conditions, schedules these deliveries.

Able Energy NY conducts its propane operations from its storage facility in Warrensburg, New York, which has 60,000 gallons of propane storage capacity. The delivery trucks have the capacity to deliver 3,000 gallons of propane, and can service approximately 30 customers per day. Able Energy NY purchases wholesale propane on the spot market at local facilities.

PRICEENERGY

PriceEnergy started business in October 2000 and is a majority-owned subsidiary of Able Energy, Inc. PriceEnergy was developed in order to bring about efficient transactions in the liquid fuels market by streamlining the ordering and delivery process utilizing Internet technology. PriceEnergy has developed a business technology platform that enables the company to sell and deliver liquid fuels and related energy products. This has been possible by utilizing a branded distribution channel of dealers and Able Energy's own delivery network. By leveraging its proprietary web technology and wireless dispatch platform, PriceEnergy intends to achieve cost leadership and create a competitive advantage in the industry.

PriceEnergy currently has a network of approximately 80 dealers in 9 states in the Northeast from Maine to Virginia. Products and services are ordered over the Internet and forwarded to the local dealer to schedule delivery. PriceEnergy receives payment and retains at least a four-cent per gallon override on all oil ordered through the system.

Now that the proper dealer network is in place, the company expects that about 15 million gallons will be ordered through its system in the coming fiscal year.

ACQUISITION OF ALL AMERICAN PLAZAS, INC.

All American Plazas, Inc. ("All American"), currently owns approximately 40% of our outstanding shares. Our CEO, Chairman and General Counsel, Gregory D. Frost, formerly served as a director and the General Counsel of All American until his resignation on March 31, 2005, and our Vice President Business Development, Frank Nocito, is Vice President of All American. In addition, one of our directors, Stephen Chalk, performs certain paid consulting services in the area of real estate development for All American.

In June 2005, we entered into a Stock Purchase Agreement ("Purchase Agreement") with all of the shareholders (the "Sellers") of All American in connection with our acquisition of All American. The transaction is expected to be consummated in early 2006, upon receipt of the required approval by our stockholders, as discussed herein.

All American, which is headquartered in Myerstown, Pennsylvania, is in the business of owning, operating and developing truck stops. Its operations include, but are not limited to, the ancillary merchandising of rights, products, and other goods and services. All American operates 11 multi-service truck stops in the United States that sell diesel fuel and related services to approximately 5,000 trucking accounts and other independent consumers. Its operations are located at primary interchanges servicing major truck routes in the northeast region of the United States, and its facilities, known as "All American Plazas", offer a broad range of products, services, and amenities, including diesel fuel, gasoline, home-style restaurants, truck preventive maintenance centers, and retail merchandise stores that market primarily to professional truck drivers and other highway motorists.

A complete description of All American's business and full financial statements will be included in the proxy statement for the contemplated stockholders' meeting with respect to the acquisition.

For a more complete discussion of the All American Plaza acquisition please refer to the section of this prospectus entitled "Certain Relationships and Related Transactions."

RECENT ALL AMERICAN FINANCING

All American recently consummated a financing that, if the acquisition of All American is consummated, will impact the Company. The recently completed refinancing by All American allowed All American to pay off approximately $3,000,000 in existing debt and provided All American with approximately $2,000,000 in working capital.

The description of the terms of All American's refinancing can be found in the section of this prospectus entitled "Certain Relationships and Related Transactions."

EFFECT OF CHANGE IN GENERAL ECONOMY

The Company's business is relatively unaffected by business cycles. Because fuel oil, propane and gasoline are such basic necessities, variations in the amount purchased as a result of general economic conditions are limited.

CUSTOMER STABILITY

The Company has a relatively stable customer base due to the tendency of homeowners to remain with their traditional distributors. In addition, a majority of the homebuyers tend to remain with the previous owner's distributor. As a result, the Company's customer base each year includes most customers retained from the prior year, or homebuyers who have purchased from such customers. Like many other companies in the industry, the Company delivers fuel oil and propane to each of its customers an average of approximately six times during the year, depending upon weather conditions and historical consumption patterns. Most of the Company's customers receive their deliveries pursuant to an automatic delivery system, without the customer having to make an affirmative purchase decision each time home heating oil or propane is needed. In addition, the Company provides

home heating equipment repair service on a seven-days-a-week basis. No single customer accounts for 10% or more of the Company's consolidated revenues.

CONVERSION TO NATURAL GAS

The rate of conversion from the use of home heating oil to natural gas is primarily affected by the relative prices of the two products, and the cost of replacing oil fired heating systems with one that uses natural gas. The Company believes that approximately 1% of its customer base annually converts from home heating oil to natural gas. Even when natural gas had a significant price advantage over home heating oil, such as in 1980 and 1981 when there were government controls on natural gas prices or during the Persian Gulf Crisis in 1990 and 1991, the Company's customers converted to natural gas at only a 2% annual rate.

OIL PRICE VOLATILITY

Although prices of energy sources have been volatile, historically, this has not affected the performance of the Company because it has been able to pass substantially all wholesale cost increases along to its customers. While fluctuations in wholesale prices have not significantly affected demand to date, it is possible that significant wholesale price increases could have the effect of encouraging conservation of energy resources. If demand was reduced and the Company was unable to increase its gross profit margin or reduce its operating expenses, the effect of such decrease in demand would be a reduction of net income.

SEASONALITY

The Company's business is directly related to the heating needs of its customers. Accordingly, the weather can have a material effect on the Company's sales in any particular year. Generally, however, the temperatures in the past thirty years have been relatively stable, and as a result, have not had a significant impact on the Company's performance, except on a short-term basis. In the years 1997 and 2001, "El Nino" caused two of the warmest winters on record, which impacted home heating oil sales during the 1997-1998 and 2001-2002 winter seasons. The winter of 2004-2005 recorded temperatures for the season, which were normal for New Jersey.

Approximately 65% 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 oil. During the spring and summer months, revenues from the sale of diesel and gasoline fuels increase due to the increased use of automobiles and construction apparatus.

Each of the Company's divisions is seasonal. From May through September, Able Oil experiences considerable reduction of retail heating oil sales.

Able Energy NY's propane operation can experience up to 80% decrease in heating related propane sales during the months of April to September, which is offset somewhat by an increase of pool heating and cooking fuel.

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.

WHOLESALE SUPPLIERS

The Company has three supply contracts for the purchase of Number 2 Heating Oil, representing 10% of the Company's annual heating fuel purchases. The Company purchases its remaining fuel supplies on the spot market.

The Company satisfies its inventory requirements with seven different suppliers, the majority of which have significant domestic fuel sources, and many of which have been suppliers to the Company for over 5 years. The Company's current suppliers are Conectiv Energy, Sprague Energy, Petrocom Energy Group Ltd., Gulf-Catamont, Valero Energy Group, Rio Energy, TransMontaigne Inc., Center Marketing, Inc. and Sun Co., Inc. (R&M). The Company monitors the market each day and determines when to purchase its oil inventory and from whom.

15

Three of these suppliers provided Able Oil with approximately 60% of its heating oil requirements for the year ended June 30, 2005 as well as fiscal 2004 and fiscal 2003.

TransMontaigne, Inc. provided Able Melbourne with approximately 99% of its diesel fuel product requirements for the year ended June 30, 2005 and another major supplier provided Able Melbourne with approximately 99% of its lubricant and related product requirements for the year ended June 30, 2005. The results were approximately the same for the fiscal years ending June 30, 2004 and 2003.

Management believes that if the Company's supply of any of the foregoing products were interrupted, the Company would be able to secure adequate supplies from other sources without a material disruption in its operations. However, there can be no assurance that adequate supplies of such products will be readily available in the future.

TRUCK PURCHASES AND MAINTENANCE

The Company presently orders and purchases its fuel oil trucks from two companies that manufacture trucks suitable for the Company's operations. The Company has the option to purchase or lease standard equipment fuel trucks. The typical configuration of the Company's fuel trucks is a Kenworth with a

3,000-gallon multi-compartment aluminum tank; a vapor recovery system and an electronic metering device that records fuel flow from the storage compartments. Each truck carries the Company's registered logo emblazoned on each side.

Service vehicles are standard commercial vans, which are obtained from a number of sources. These vehicles also carry the Company logo.

Generally, the Company relies upon equipment warranties, fixed fee service contracts and on-site repairs for the maintenance of the Company's fleet of vehicles. To date, the Company has not experienced significant downtime on any of its fuel trucks.

PRODUCT LINES

In fiscal year 2005, sales of home heating oil accounted for approximately 55% of the Company's revenues. The remaining 45% of revenues were from sales of gasoline, diesel fuel, kerosene, propane, home heating equipment services, and related sales. In fiscal 2004, those percentages were 56% and 44%, respectively, and in fiscal 2003, they were 57% and 43%, respectively. The Company also installs heating equipment and repairs such equipment on a 24 hours a day, seven days-a-week basis, generally within four hours of request.

INDUSTRY OVERVIEW

The Company's business is highly competitive. In addition to competition from alternative energy sources, the Company competes with distributors offering a broad range of services and prices, from full service distributors similar to the Company, to those offering delivery only. Competition with other companies in the propane industry is based primarily on customer service and price. Longstanding customer relationships are typical in the retail home heating oil and propane industry. Many companies in the industry, including the Company, deliver fuel oil or propane to their customers based upon weather conditions and historical consumption patterns without the customers having to make an affirmative purchase decision each time fuel oil or propane is needed. In addition, most companies, including the Company, provide equipment repair service on a 24 hour-a-day basis, which tends to build customer loyalty. As a result, the Company may experience difficulty in acquiring new retail customers due to existing relationships between potential customers and other fuel oil or propane distributors.

MARKETING, SALES & STRATEGIC PARTNERSHIPS

The Company employs a dynamic marketing strategy that the Company believes has been the key to its success. The Company believes that it obtains new customers and maintains existing customers by offering its full service home energy products at discount prices, providing quick response refueling and repair operations, providing automatic deliveries to customers by monitoring historical use and weather patterns, and by providing customers a variety of payment options. To expand its customer base and aggressively promote its service, the Company engages in direct marketing campaigns, advertises regularly, offers employee incentives, and encourages referrals.

The Company has successfully expanded its customer base by employing a variety of direct marketing tactics, including telemarketing campaigns, billboards, mass and direct mailings, and by distributing hand-bills and promotional items, such as refrigerator magnets, sweatshirts and hats. Additionally, the Company's delivery personnel are an integral part of the Company's direct marketing activities. While in the field, drivers isolate potential new customers by taking note of where the Company is not servicing accounts, and act as salespersons for the Company. The Company offers its drivers and customer care representatives an incentive payment of $20 for each new automatic delivery customer and $10 for each conversion of an existing customer to automatic delivery.

The Company uses advertising campaigns to increase brand recognition and expand its customer base, including radio and television advertisements, billboards, and newsprint and telephone directory advertisements. Additionally, the Company utilizes its fleet of fuel delivery trucks and service vans as moving advertisements by emblazoning them with the Company's logo.

Historically, referrals have been an important part of the Company's efforts to expand its business and the Company offers incentives to customers who refer business. Customers who refer business receive either $30 or 25 gallons of heating oil at no charge for each new customer referred. The Company also offers other special limited time promotions designed to increase business in specific targeted business segments. The Company also encourages civic and religious organizations to refer business to the Company. As an incentive, the Company pays such organizations a donation for each of its members who become customers and a stipend based upon the members' fuel consumption.

PATENTS AND TRADEMARKS

Able Energy owns the exclusive right and license to use, and to license others to use, the proprietary marks, including the service mark "Able Energy- -Registered Trademark-" (and design) ("Able Energy Proprietary Marks"). The "Able Energy- -Registered Trademark-" service mark and design was registered under Classes 37 and 39 of the Principal Register of the U.S. Patent & Trademark Office ("USPTO") on May 1, 2001 (registration No. 2,447,931). In addition, Able Energy established certain common law rights to the Able Energy Marks through its continuous, exclusive and extensive public use and advertising. The Proprietary Marks are not registered in any state.

Able Oil owns the exclusive right and license to use, and to license others to use, the proprietary marks, including the service mark "Able Oil- -Registered Trademark-" (and design) ("Able Oil Proprietary Marks"). The "Able Oil- -Registered Trademark-" service mark and design was registered under Classes 37 and 39 of the Principal Register of the U.S. Patent & Trademark Office ("USPTO") on April 30, 1996 (registration No. 1,971,758). In addition, Able Oil established certain common law rights to the Able Oil Proprietary Marks through its continuous, exclusive and extensive public use and advertising. The Proprietary Marks are not registered in any state.

Presently there is no effective determination by the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state, or court regarding the Proprietary Marks, nor is there any pending interference, opposition or cancellation proceeding or any pending litigation involving the Proprietary Marks or the trade names, logotypes, or other commercial symbols of Able Oil. There are no agreements currently in effect that significantly limit the rights of Able Oil to use or license the use of the Proprietary Marks.

In December 2000, the Company was advised by the USPTO that its applications for registration for the "PriceEnergy.com" mark was assigned Serial No. 76/172083 and the "PriceEnergy.com The Energy Hotspot" mark was assigned Serial No. 76/171829, as of November 28, 2000.

ENVIRONMENTAL CONSIDERATIONS AND REGULATIONS

The Company has implemented environmental programs and policies designed to avoid potential liability under applicable environmental laws. The Company has not incurred any significant environmental compliance cost, and compliance with environmental regulations has not had a material effect on the Company's operating or financial condition. This is primarily due to the Company's general policies of closely monitoring its compliance with all environmental laws. In the future, the Company does not expect environmental compliance to have a material effect on its operations and financial condition. The Company's policy for determining the timing and

amount of any environmental cost is to reflect an expense as and when the cost becomes probable and reasonably capable of estimation.

On September 15, 2003, Able Oil received approval from the New Jersey Department of Environmental Protection of a revised Discharge Prevention Containment and Countermeasure plan ("DPCC") and Discharge, Cleanup and Removal plan ("DCR") for the facility at 344 Route 46 East in Rockaway, New Jersey. This plan has received approval and will be in effect for three years. The State of New Jersey requires companies which operate major fuel storage facilities to prepare such plans, as proof that such companies are capable of, and have planned for, an event that might be deemed by the State to be hazardous to the environment. In addition to these plans, Able Oil has this facility monitored on an ongoing basis to ensure that the facility meets or exceeds all standards required by the State.

The Company experienced no spill events that would warrant investigation by state or other environmental regulatory agencies. All locations are prepared to deal with such an event should one occur.

GOVERNMENT REGULATIONS

Numerous federal, state and local laws, including those relating to protection of the environment and worker safety, affect the Company's operations. The transportation of fuel oil, diesel fuel, propane and gasoline is subject to regulation by various federal, state and local agencies including the U.S. Department of Transportation ("DOT"). These regulatory authorities have broad powers, and the Company is subject to regulatory and legislative changes that can affect the economies of the industry by requiring changes in operating practices or influencing demand for, and the cost of providing, its services.

The regulations provide that, among other things, the Company's drivers must possess a commercial driver's license with a hazardous materials endorsement. The Company is also subject to the rules and regulations concerning the Hazardous Materials Transportation Act. For example, the Company's drivers and their equipment must comply with the DOT's pre-trip inspection rules, documentation regulations concerning hazardous materials (i.e. certificates of shipments which describe the type and amount of product transported), and limitations on the amount of fuel transported, as well as driver "hours of service" limitations. Additionally, the Company is subject to DOT inspections that occur at random intervals. Any material violation of DOT rules or the Hazardous Materials Transportation Act may result in citations and/or fines upon the Company. In addition, the Company depends upon the supply of petroleum products from the oil and gas industry and, therefore, is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry generally. The Company cannot determine the extent to which future operations and earnings may be affected by new legislation, new regulations and/or changes in existing regulations. The technical requirements of these laws and regulations are becoming increasingly expensive, complex and stringent. These laws may impose penalties or sanctions for damages to natural resources or threats to public health and safety. Such laws and regulations may also expose the Company to liability for the conduct or conditions caused by others, or for acts of the Company that were in compliance with all applicable laws at the time such acts were performed. Sanctions for noncompliance may include revocation of permits, corrective action orders, administrative or civil penalties and criminal prosecution. Certain environmental laws provide for joint and several liabilities for remediation of spills and releases of hazardous substances. In addition, companies may be subject to claims alleging personal injury or property damages as a result of alleged exposure to hazardous substances, as well as damage to natural resources.

Although the Company believes that it is in compliance with existing laws and regulations and carries adequate insurance coverage for environmental and other liabilities, there can be no assurance that substantial costs for compliance will not be incurred in the future or that the insurance coverage in place will be adequate to cover future liabilities. There could be an adverse affect upon the Company's operations if there were any substantial violations of these rules and regulations. Moreover, it is possible that other developments, such as more stringent environmental laws, regulations and enforcement policies there under, could result in additional, presently unquantifiable, costs or liabilities to the Company.

EMPLOYEES

As of September 30, 2005, the Company employed approximately 84 individuals. From October through March, the Company's peak season, the Company employs approximately 114 persons. From April through

September, the Company employs approximately 85 persons. Currently, there are no organized labor unions representing any of the employees of Company or any of its related companies.

PROPERTY

The Company's corporate headquarters are located in a 9,800 square foot facility in Rockaway, New Jersey. This facility accommodates the Company's corporate, administrative, marketing and sales personnel. The lease expires on April 30, 2006 and carries an annual rent of $109,000. The Company owns the property located at 344 Route 46 in Rockaway, New Jersey. This facility accommodates the Company's fuel terminal, including fuel storage tanks, truck yard space and dispatch operations. The Company purchased the property in August 1999, through a newly formed wholly-owned subsidiary, Able Energy Terminal, LLC, at a purchase price of $1,150,000. The Company also owns a building, totaling approximately 1,450 square feet, consisting of a wood frame facility located at 38 Diller Avenue, Newton, New Jersey, that will serve as a supply depot, storage area & administrative offices and service facility when damage that occurred on March 14, 2003 in connection with a fire is repaired.

Able Melbourne leases a 3,000 square foot concrete and aluminum facility that serves as a storage facility, a service facility and administrative offices, located at 79 Dover Avenue, Merritt Island, Florida and is governed by an oral, month-to-month lease with annual rent of $5,000. The Company does not store fuel oil at this location with the exception of that which is kept in the delivery trucks. This facility is conveniently located within three miles of its wholesale supplier. The Company is responsible for maintaining the facilities in compliance with all environmental rules and laws.

LEGAL PROCEEDINGS

In accordance with the purchase of the property on Route 46, Rockaway, New Jersey, by Able Energy Terminal, LLC, the Company intends to pursue recovery of all costs and damages related to a lawsuit by the seller against a former tenant of the property, based on environmental cleanup costs on the property. Purchaser will assume all responsibility and direction for the lawsuit, subject to the sharing of half of any recoveries from the lawsuit with the seller. The seller by reduction of its mortgage will pay costs related to the above up to $250,000. In December of 2000, the Company reached an agreement with the former tenants whereby the former tenants agreed to pay Able Energy, Inc. the sum of $397,500 in order to pay for the environmental cleanup costs on the Company's Route 46 property.

As a result of the March 14, 2003 fire at the Newton, NJ terminal, various claims have been submitted to the Company's insurance carrier. Over 220 claims have been settled. As of September 30, 2005, individuals or companies who were unable to reach successful settlements with the Company's insurance carrier have filed seven lawsuits against the Company. The Company's insurance carrier has established reserves for losses, as deemed appropriate. The Company's insurance carrier is defending as related to compensatory damages. Legal counsel is defending on any punitive damages claims.

Also in connection with the March 2003 Newton fire, a subsidiary of the Company entered a guilty plea in July 2005 to one count of negligently damaging property, a fourth-degree crime in New Jersey. In connection with the plea agreement, the Company will pay a fine of $20,000, and its guilty plea cannot be used against the company in any civil lawsuits. In addition, Christopher P. Westad, the Company's President and Acting Chief Executive Officer, entered into a pre-trial intervention agreement, conditioned upon 250 hours of community service over a two-year period, which he is currently performing.

The Company is not currently involved in any legal proceeding that is likely to have a material adverse effect on the results of operations or the financial condition of the Company. From time to time, the Company may become a party to litigation incidental to its business. There can be no assurance that any financial legal proceedings will not have a material adverse affect on the Company.

DESCRIPTION OF SECURITIES

The shares of our common stock that are covered by this prospectus may be acquired by the selling security holders under the terms of a purchase agreement executed in connection with a private placement transaction that occurred on July 12, 2005 and an amendment to the purchase agreement executed on November 16, 2005. In connection with this transaction and as more fully described below, we issued warrants exercisable for 792,308 shares of common stock and convertible debentures which may be converted into 384,618 shares of common stock. The convertible debentures also provide that interest thereon may be paid in shares of common stock. All of the documents from this transaction, including the forms of the warrants and convertible debentures, have been filed or incorporated by reference as exhibits to the registration statement to which this prospectus forms a part.

COMMON STOCK

Able Energy is authorized to issue 10,000,000 shares of common stock, $.001 par value per share, of which as of the date of this prospectus 2,714,924 shares of common stock are outstanding.

The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of shareholders. Holders of common stock are entitled to receive ratably dividends as may be declared by the board of directors out of funds legally available therefor. In the event of a liquidation, dissolution or winding up of the Company, holders of the common stock are entitled to share ratably in all assets remaining, if any, after payment of liabilities. Holders of common stock have no preemptive rights and have no rights to convert their common stock into any other securities.

Able Energy's common stock is listed on the Nasdaq SmallCap Market under the symbol "ABLE".

PREFERRED STOCK

The Certificate of Incorporation authorizes the issuance of 10,000,000 shares of preferred stock, $.001 par value per share, with designations, rights and preferences determined from time to time by its Board of Directors. Accordingly, the Company's Board of Directors is empowered, without stockholder approval, to issue classes of preferred stock with voting, liquidation, conversion, or other rights that could adversely affect the rights of the holders of the Common Stock. Although the Company has no present intention to issue any shares of its preferred stock there can be no assurance that it will not do so in the future. Furthermore, no preferred stock may be issued by the Company unless such issue is approved by the Company's independent directors.

CONVERTIBLE DEBENTURES AND WARRANTS

On July 12, 2005, we consummated a financing with the selling security holders listed in the "Selling Security Holders" section below in the amount of $2.5 million. Such selling security holders acquired debentures evidenced by a Variable Rate Convertible Debenture (the "Convertible Debentures"). The Convertible Debentures shall be repaid within two years from the date of issuance, subject to the occurrence of an event of default, with interest payable at the rate per annum equal to LIBOR for the applicable interest period, plus 4% payable on a quarterly basis. The Debentures may be converted at the option of the selling security holders into shares of our common stock at a conversion price of $6.50 per share. In addition, the selling security holders received five (5) year warrants to purchase 192,308 of common stock at an exercise price of $7.15 per share. We have an optional redemption right (which right shall be mandatory upon the occurrence of an event of default) to repurchase all of the Convertible Debentures for 125% of the face amount of the Convertible Debentures plus all accrued and outstanding interest and expenses, as well as a right to repurchase all of the Convertible Debentures in the event of the consummation of a new financing in which we sell securities at a purchase price that is below the $6.50 conversion price.

20

The Convertible Debentures and warrants contain restrictions on their conversion or exercise in certain circumstances. A holder will not be permitted to convert a Convertible Debenture or exercise a warrant if such conversion or exercise would result in such holder beneficially owning more than 4.99% of the number of shares of our common stock outstanding immediately after the conversion or exercise. Also, unless the separate approval of our shareholders has previously been obtained, we may not issue upon conversion of a Convertible Debenture or exercise of a warrant a number of shares of common stock which, when aggregated with all shares issued upon prior conversions of Convertible Debentures and exercises of warrants, would exceed 19.99% of the number of shares of our common stock outstanding immediately preceding the date on which the Convertible Debentures and warrants were originally issued.

The Convertible Debentures and warrants contain anti-dilution provisions that would reduce the conversion price of the Convertible Debentures and the exercise price of the warrants in certain circumstances. These anti-dilution provisions would be triggered in the event that we sell, grant an option to purchase, or otherwise dispose of or issue, shares of our common stock at an effective price lower than the conversion price, in the case of the Convertible Debentures, or the exercise price, in the case of the warrants. When these anti-dilution provisions are triggered, it increases the number of shares of common stock issuable upon conversion of the Convertible Debentures and exercise of the warrants. For example, if we were to sell 100,000 shares of our common stock at $4.10 per share (50% of the closing price of $8.19 on Nasdaq on December 2, 2005) or at $6.14 (75% of the closing price of $8.19 on Nasdaq on December 2, 2005), both of which are lower price than the current conversion price of the Convertible Debentures and exercise price of the warrants, the number of shares of common stock issuable upon conversion of the outstanding Convertible Debentures would increase from 384,615 shares to 609,756 shares, in the case of a sale at $4.10, and 407,166 shares, in the case of a sale at $6.14, and the number of shares issuable upon exercise of the outstanding warrants would increase from 192,308 shares to 355,366 shares, in the case of a sale at $4.10, and 223,578 shares, in the case of a sale at $6.14.

The conversion price of the Convertible Debentures and the exercise price of the warrants would also be adjusted to account for any stock dividends, splits, or pro rata distributions to holders of our common stock.

The selling security holders originally had an additional investment right under certain conditions to purchase units consisting of convertible debentures in the aggregate amount of up to $15,000,000 (the "Additional Debentures") and common stock purchase warrants equal to 50% of the face amount of such Additional Debentures (the "Additional Warrants"). The rights of our company and the selling security holders relating to the Additional Debentures and Additional Warrants were eliminated as of November 16, 2005, and the original purchase agreement was amended to issue the selling security holders a series of warrants (the "New Warrants") at an exercise price of $7.50. In the aggregate, the New Warrants permit the selling security holders to acquire up to 5.25 million shares of our common stock upon proper exercise.

Notwithstanding any of the foregoing, until the required shareholder approvals are obtained, the selling security holders have agreed not to convert any convertible debentures or exercise any warrants which in the aggregate would exceed 19.999% of the number of shares of the Company's common stock on the trading day prior to the date of the original purchase agreement.

OTHER OUTSTANDING SECURITIES - OPTIONS

As of September 30, 2005, Able Energy had outstanding non-qualified stock options to purchase an aggregate of 38,000 shares at an average exercise price of $2.73 per share issued to employees, directors and consultants pursuant to stock option plans and individual agreements with management and directors of Able Energy.

ALL AMERICAN CONVERTIBLE DEBENTURES AND OTHER SECURITIES

As described above under "Our Business," we are currently contemplating the acquisition of our affiliate, All American Plazas, Inc. ("All American"). All American recently consummated a financing that, if the acquisition of All American is consummated, will impact Able Energy.

Pursuant to the terms of the Securities Purchase Agreement dated June 1, 2005 (the "Agreement") among All American and certain purchasers identified therein (collectively, the "Purchasers"), the Purchasers loaned All American an aggregate of $5,000,000, evidenced by two year Secured Debentures (the "All American Debentures").

Interest on the All American Debentures is payable quarterly at the rate per annum equal to LIBOR for the applicable interest period, plus 4%. The loan is secured by real estate property owned by All American in Pennsylvania and New Hampshire. Pursuant to the Additional Investment Right (the "AIR Agreement") among All American and the Purchasers, the Purchasers may loan All American up to an additional $5,000,000 on the same terms and conditions as the initial $5,000,000 loan, except for the conversion rights associated with the All American Debentures.

If we consummate the acquisition of All American, we will assume the obligations of All American under the Agreement, the All American Debentures and the AIR Agreement, and we will agree that the real estate collateral will continue to secure the loan, until the earlier of full repayment of the loan upon expiration of the All American Debentures or conversion by the Purchasers of the All American Debentures into shares of Able Energy common stock at a conversion rate of the lesser of (i) the purchase price paid by us for each share of All American common stock in the acquisition, or (ii) $3.00, (the "Conversion Price"). However, the Conversion Price with respect to the AIR Agreement shall be $4.00. In addition, the Purchasers shall have the right to receive five-year warrants to purchase 2,500,000 shares of Able Energy common stock at an exercise price of $3.75 per share. We shall also have an optional redemption right (which right shall be mandatory upon the occurrence of an event of default) to repurchase all of the All American Debentures for 125% of the face amount of the All American Debentures plus all accrued and outstanding interest and expenses, as well as a right to repurchase all of the All American Debentures in the event of the consummation of a new financing in which we sell securities at a purchase price that is below the Conversion Price. It is currently contemplated that if the Able Energy/All American transaction is consummated, the stockholders of All American will escrow a sufficient number of shares of Able Energy they receive in that transaction to satisfy the conversion of the $5,000,000 in outstanding All American Debentures in full.

In addition, upon consummation of the All American transaction, we will agree that the Purchasers will have demand registration rights with respect to all shares of Able Energy common stock issued to them by conversion of the All American Debentures. The Purchasers also will have an additional investment right, for a period of nine months after an initial registration statement filed by us covering the resale of their shares is declared effective by the Securities and Exchange Commission, to purchase units of Able Energy consisting of convertible debentures in the aggregate amount of up to $14,000,000 (the "Additional All American Debentures") and common stock purchase warrants equal to 50% of the face amount of such Additional All American Debentures (the "Additional All American Warrants"). The conversion price of the Additional All American Debentures shall be $6.50 per share of common stock with respect to the first $7,000,000 of Additional All American Debentures purchased, and 80% of the average weighted price of our common stock during the 20 trading days immediately prior to the Purchasers' election to purchase the Additional All American Debentures, with respect to the remaining $7,000,000. The Additional All American Warrants shall have a five- year term and an exercise price of 110% of the conversion price.

There can be no assurance that our acquisition of All American will occur on the terms described above or favorable to Able Energy, or at all.

CERTAIN ANTI-TAKEOVER DEVICES

The Company is subject to Section 203 of the Delaware General Corporation Law ("Section 203"), which restricts certain transactions and business combinations between a corporation and an "Interested Stockholder" owning 15% or more of the corporation's outstanding voting stock for a period of three years from the date the stockholder becomes an Interested Stockholder. Subject to certain exceptions, unless the transaction is approved by the Board of Directors and the holders of at least 66-2/3% of the outstanding voting stock of the corporation (excluding shares held by the Interested Stockholder), Section 203 prohibits significant business transactions such as a merger with, disposition of assets to, or receipt of disproportionate financial benefits by the Interested Stockholder, or any other transaction that would increase the Interested Stockholder's proportionate ownership of any class or series of the corporation's stock. The statutory ban does not apply if, upon consummation of the transaction in which any person becomes an Interested Stockholder, the Interested Stockholder owns at least 85% of the outstanding voting stock of the corporation (excluding shares held by persons who are both directors and officers or by certain stock plans).

TRANSFER AGENT AND REGISTRAR

Continental Transfer & Trust Company is the transfer agent and registrar for the Company's common stock. Its address is 2 Broadway, New York, New York 10004 and its telephone number is (212) 509-4000.

MARKET FOR COMMON EQUITY, DIVIDENDS AND RELATED STOCKHOLDER MATTERS

(a) Market Price

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:

		HIGH		LOW
QUARTER ENDED SEPTEMBER 30, 2005	$	18.79	$	11.26

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) Beneficial Holders

As of December 1, 2005, the Company's common stock was held beneficially by approximately 2,600 persons.

(c) Dividends

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.

ABLE ENERGY, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS

(A) FOR THE YEARS ENDED
JUNE 30, 2005 AND 2004

(B) FOR THE QUARTER ENDED
SEPTEMBER 30, 2005

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 and the financial statement Schedule II are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement Schedule II based on our audits.

We conducted our audits in accordance with the Standards of the Public Company Accounting Oversite 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. 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 provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements and the financial statement Schedule II 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 June 30, 2005 in conformity with accounting principles generally accepted in the United States of America.

Simontacchi & Company, LLP
Rockaway, New Jersey
September 14, 2005

F-1

ABLE ENERGY, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
June 30,

ASSETS

	2005	200
CURRENT ASSETS:		
Cash	$ 1,754,318	$ 1,
Accounts Receivable (Less Allowance for Doubtful Accounts of $238,049 (2005) and $192,222 (2004)	2,876,900	2,
Inventory	726,987	
Notes Receivable - Current Portion	57,826	
Other Receivable - Non-Compete - Current Portion	225,000	
Miscellaneous Receivables	38,596	
Prepaid Expenses	485,904	
Deferred Costs - Insurance Claims	-	

Prepaid Expense - Income Taxes	-	
Deferred Income Tax	64,776	
Other Receivable	-	
TOTAL CURRENT ASSETS	6,230,307	5,
PROPERTY AND EQUIPMENT:		
Land	479,346	
Buildings	946,046	1,
Trucks	3,594,218	3,
Fuel Tanks	824,738	
Machinery and Equipment	999,315	
Building Improvements	790,424	
Cylinders	295,476	
Office Furniture and Equipment	205,319	
Website Development Costs	2,390,589	2,
	10,525,471	9,
Less: Accumulated Depreciation and Amortization	5,980,636	4,
NET PROPERTY AND EQUIPMENT	4,544,835	4,
OTHER ASSETS:		
Deferred Income Taxes	45,091	
Deposits	54,918	
Other Receivable - Non-Compete - Less Current Portion	450,000	
Notes Receivable - Less Current Portion	649,435	
Customer List, Less Accumulated Amortization of $188,122	422,728	
Covenant Not to Compete, Less Accumulated Amortization of $100,000 (2005) and $96,667 (2004)	-	
Development Costs - Franchising	9,191	
Deferred Closing Costs - Financing	348,055	
TOTAL OTHER ASSETS	1,979,418	2,
TOTAL ASSETS	$ 12,754,560	$ 12,

See accompanying notes to consolidated financial statements.

ABLE ENERGY, INC. AND SUBSIDIARIES
Consolidated Balance Sheets (continued)
June 30,

LIABILITIES AND STOCKHOLDERS' EQUITY

2005

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		184,097	
Accrued Taxes		112,064	
Employee Income Tax Withheld		146,624	
Deferred Income		-	
Customer Pre-Purchase Payments		2,226,655	
Customer Credit Balances		230,729	
TOTAL CURRENT LIABILITIES		6,550,350	
DEFERRED INCOME		79,679	
DEFERRED INCOME TAXES		104,517	
LONG TERM DEBT: less current portion		3,961,899	
TOTAL LIABILITIES		10,696,445	
STOCKHOLDERS' EQUITY:			
Preferred Stock			
Authorized 10,000,000 Shares Par Value $.001 per share Issued - None			
Common Stock			
Authorized 10,000,000 Par Value $.001 per share Issued and Outstanding Shares 2,457,320 (2005) and 2,013,250 (2004)		2,457	
Paid in Surplus		6,481,102	
Retained Earnings (Deficit)		(4,425,444)	
TOTAL STOCKHOLDERS' EQUITY		2,058,115	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	12,754,560	$

See accompanying notes to consolidated financial statements.

ABLE ENERGY, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
For the Years Ended June 30,

	2005	2004
Net Sales	$ 61,964,825	$ 42,882,32
Cost of Sales	55,977,955	37,267,46

Gross Profit	5,986,870	5,614,85
Expenses		
Selling, General and Administrative Expenses	5,946,324	6,433,69
Depreciation and Amortization Expense	1,183,144	1,152,90
Total Expenses	7,129,468	7,586,60
Income (Loss) From Operations	(1,142,598)	(1,971,74
Other Income (Expenses):		
Interest and Other Income	214,742	149,80
Interest Expense	(449,776)	(576,57
Directors' Fees	(183,197)	
Gain (Loss) on Sale of Assets	(19,249)	
Gain on Insurance Recovery	-	
Other Expense (Note 19)	(318,236)	
Legal Fees Relating to Accident (Note 9)	(208,455)	(261,86
Total Other Income (Expense)	(964,171)	(688,63
Income (Loss) from Continuing Operations Before Provision for Income Taxes (Credit)	(2,106,769)	(2,660,38
Provision for Income Taxes (Credit)	3,488	39,72
Net Income (Loss) From Continuing Operations	(2,110,257)	(2,700,10
Discontinued Operations:		
Income (Loss) from Discontinued Operations	-	(57,63
Gain on Sale of Subsidiary Operating Assets	-	2,668,49
Income (Loss) from Discontinued Operations	-	2,610,86
Net Income (Loss)	$ (2,110,257)	$ (89,24
Basic Earnings (Loss) per Common Share		
Income (Loss) from Continuing Operations	$ (.99)	$ (1.3
Income (Loss) from Discontinued Operations	$ -	$ 1.3
Diluted Earnings (Loss) per Common Share		
Income (Loss) from Continuing Operations	$ (.99)	$ (1.3
Income (Loss) from Discontinued Operations	$ -	$ 1.3
Weighted Average number of Common Shares Outstanding	2,140,813	2,013,25
Weighted Average Number of Common Shares Outstanding, Assuming Dilution	2,140,813	2,013,25

See accompanying notes to consolidated financial statements.

ABLE ENERGY, INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity

For the Years Ended June 30,

	SHARES	AMOUNT	ADDITIONAL PAID-IN SURPLUS	RETAINED EARNINGS
Balance - June 30, 2002	2,007,250	$ 2,008	$ 5,687,230	$ (2,428,
Issuance of Common Stock for Payment of Directors' Fees	6,000	6	23,994	
Net Income	-	-	-	202,
Balance - June 30, 2003	2,013,250	$ 2,014	$ 5,711,224	$ (2,225,
Net Loss	-	-	-	(89,
Balance - June 30, 2004	2,013,250	$ 2,014	$ 5,711,224	$ (2,315,
Additional Shares Issued	444,070	443	769,878	
Net Loss	-	-	-	(2,110,
Balance - June 30, 2005	2,457,320	$ 2,457	$ 6,481,102	$ (4,425,

See accompanying notes to consolidated financial statements.

ABLE ENERGY, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows

For the Years Ended June 30,

2005

CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS		
Net Income (Loss)	$	(2,110,257)
(Loss) Income from Discontinued Operations		(57,630)
Gain on Sale of Subsidiary		(2,668,490)
Gain on Sale of Subsidiary - Non-Cash		

INCOME (LOSS) - CONTINUING OPERATIONS	$	(2,110,257)
Adjustments to Reconcile Net Income to Net Cash used by Operating Activities:		
Depreciation and Amortization		1,183,144
Consulting Fee		12,987
Loss (Gain) on Disposal of Equipment		35,722
Directors' Fees		103,200
Stock Based Compensation		117,000
(Increase) Decrease in:		
Accounts Receivable		(440,346)
Inventory		(167,662)
Prepaid Expenses		(117,320)
Prepaid Income Taxes		2,063
Deposits		82,097
Deferred Income Tax - Asset		(9,853)
Deferred Costs - Insurance Claims		424,547
Increase (Decrease) in:		
Accounts Payable		160,836
Accrued Expenses		(53,575)
Employee Income Tax Withheld		146,624
Customer Advance Payments		730,749
Customer Credit Balance		(468,170)
Deferred Income Taxes		13,341
Escrow Deposits		-
Deferred Income		