ABLE ENERGY INC
Form 10-Q/A
November 21, 2005

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

FORM 10-Q/A
AMENDMENT NO. 2

(Mark One)

|X| Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: SEPTEMBER 30, 2005

or

|_| Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ______________ to _______________

Commission file number: 001-15035

ABLE ENERGY, INC.
(An 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, NJ	07866
(Address of principal executive offices)	(Zip code)

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

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

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

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

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

As of October 20, 2005, 2,572,067 shares of common stock, $.001 Par value per share, of Able Energy, Inc. were issued and outstanding.

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EXPLANATORY NOTE

On November 14, 2005, the Company's Chief Financial Officer and Chief Executive Officer concluded that the Company's previously issued financial statements for the three-month period ended September 30, 2005, as filed with the Company's Quarterly Report on Form 10-Q and as amended by the Company's Amendment Number 1 on Form 10-Q/A to its Quarterly Report on Form 10-Q for such period, should no longer be relied upon because of an error in such financial statements.

The error relates to the allocation of proceeds from, and recognition of a beneficial conversion feature relating to, the convertible debentures and warrants sold by the Company in a private placement on July 12, 2005. The Company has corrected the error and has restated its consolidated financial statements for the three-month period ended September 30, 2005.

This Amendment Number 2 on Form 10-Q/A to the Company's Form 10-Q for the three-month period ended September 30, 2005 includes a restatement of the consolidated financial statements for such period.

ABLE ENERGY, INC. AND SUBSIDIARIES
FORM 10-Q/A

For the Quarter Ended September 30, 2005

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	SEPTEMBER 30, 2005 (As restated -- see Note 1) (UNAUDITED)	JUNE 200
CURRENT ASSETS:		
Cash	$ 4,668,493	$ 1,
Accounts Receivable (Less Allowance for Doubtful Accounts of $238,049 and $238,049, respectively	3,109,808	2,
Inventory	1,636,457	
Notes Receivable - Current Portion	1,791,143	
Other Receivable - Non-Compete - Current Portion	225,000	
Other Receivables	93,628	
Prepaid Expenses	437,247	
Deferred Income Tax	64,776	
Due from Officers and Employees	271,189	
TOTAL CURRENT ASSETS	12,297,741	6,
PROPERTY AND EQUIPMENT:		
Land	479,346	
Buildings	946,046	
Trucks	3,489,465	3,
Fuel Tanks	826,442	
Machinery and Equipment	1,004,462	
Building Improvements	899,132	
Cylinders	338,015	
Office Furniture and Equipment	205,319	

Website Development Costs	2,390,589	2,
	10,578,816	10,
Less: Accumulated Depreciation and Amortization	6,137,524	5,
NET PROPERTY AND EQUIPMENT	4,441,292	4,
OTHER ASSETS:		
Deferred Income Taxes	45,091	
Deposits	59,918	
Other Receivable - Non-Compete - Less Current Portion	450,000	
Notes Receivable - Less Current Portion	646,118	
Customer List, Less Accumulated Amortization of $188,122	422,728	
Development Costs - Franchising	6,893	
Deferred Closing Costs - Financing	439,287	
Discount on Debt	2,221,467	
Prepaid Acquisition Costs	150,000	
TOTAL OTHER ASSETS	4,441,502	1,
TOTAL ASSETS	$ 21,180,535	$ 12,

See accompanying notes to consolidated financial statements

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ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:
Accounts Payable
Note Payable - Line of Credit
Note Payable - Other
Current Portion of Long-Term Debt
Accrued Expenses
Accrued Taxes
Employee Income Tax Withheld
Customer Pre-Purchase Payments
Customer Credit Balances

TOTAL CURRENT LIABILITIES

Convertible Debentures
Deferred Income

Deferred Income Taxes
Long Term Debt: less current portion

TOTAL LIABILITIES

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 2,714,924 and 2,457,320, respectively
Paid in Surplus
Retained Earnings (Deficit)

TOTAL STOCKHOLDERS' EQUITY

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

See accompanying notes to consolidated financial statements

ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

NET SALES	$
COST OF SALES	
GROSS PROFIT	
EXPENSES	
Selling, General and Administrative Expenses	
Depreciation and Amortization Expense	
TOTAL EXPENSES	
LOSS FROM OPERATIONS	
OTHER INCOME (EXPENSES):	
Interest and Other Income	
Interest Expense	
Amortization of Discount on Debt	

Loss on Sale of Assets	
Legal Fees Relating to Accident	
	-
TOTAL OTHER INCOME (EXPENSES)	
	-
LOSS BEFORE PROVISION FOR INCOME TAXES	
PROVISION FOR INCOME TAXES	
	-
NET LOSS	$
	=
BASIC AND DILUTED PER COMMON SHARE WEIGHTED AVERAGE SHARES OUTSTANDING	
	=
BASIC AND DILUTED LOSS PER SHARE	$
	=

See accompanying notes to consolidated financial statements

ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
THREE MONTHS ENDED SEPTEMBER 30, 2005
(As restated -- see Note 1)
(unaudited)

	COMMON STOCK $.001 PAR VALUE			
	SHARES	AMOUNT	PAID-IN SURPLUS	
Balance - July 1, 2005	2,457,320	$ 2,457	$ 6,481,102	$
Warrant Issuance	-	-	900,000	
Beneficial Conversion Feature of Convertible Debt	-	-	1,600,000	
Option Exercise	200,000	200	1,067,801	
Note Conversion	57,604	58	499,942	
Net Loss	-	-	-	
Balance - September 30, 2005	2,714,924	$ 2,715	$ 10,548,845	$

See accompanying notes to consolidated financial statements

ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
(unaudited)

Income (Loss) - Continuing Operations
Adjustments to Reconcile Net Income (Loss) to Net Cash
used by Operating Activities:
Depreciation and Amortization
Amortization of Discount on Debt
Loss on Disposal of Equipment
(Increase) Decrease in:
Accounts Receivable
Inventory
Prepaid Expenses
Prepaid Income Taxes
Deposits
Miscellaneous
Increase (Decrease) in:
Accounts Payable
Accrued Expenses
Customer Advance Payments
Customer Credit Balance
Deferred Income Taxes
Deferred Closing Costs
Deferred Income

NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Property and Equipment
Receivable - Officer
Notes Receivable - Related Party
Prepaid Acquisition Costs
Web Site Development Costs
Cash Received on Sale of Property
Disposition of Equipment
Other

NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES

CASH FLOW FROM FINANCING ACTIVITIES

Net barrowings under line of Credit
Decrease in Long-Term Debt
Increase in Long-Term Debt
Exercise of Options

Sale of Convertible Debentures

NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES

NET (DECREASE) INCREASE IN CASH
Cash - Beginning of Year
Cash - End of Period

The Company had Interest Cash Expenditures of:
The Company had Tax Cash Expenditures of:

See accompanying notes to consolidated financial statements

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

NOTE 1 - INTERIM FINANCIAL REPORTING

The accompanying unaudited consolidated financial statements of Able Energy, Inc. and its subsidiaries (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, these financial statements do not include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended September 30, 2005 are not necessarily indicative of the results that may be expected for the year ending June 30, 2006. These consolidated financial statements include the accounts of Able Energy, Inc. and its wholly owned subsidiaries (Able Oil Company, Able Melbourne, Able Energy New York, Inc., Able Terminal LLC and PriceEnergy Fanchising LLC) and majority owned (70.6%) subsidiary (PriceEnergy.com Inc.). These consolidated financial statements should be read in conjunction with the financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2005.

RESTATEMENT OF FIRST QUARTER 2006 FINANCIAL STATEMENTS FOR THE ALLOCATION OF PROCEEDS FROM ISSUANCE OF CONVERTIBLE DEBENTURES AND WARRANTS AND RECOGNITION OF BENEFICIAL CONVERSION FEATURE

This amendment to the Company's Form 10-Q for the period ended September 30, 2005 includes a restatement of the consolidated financial statements for the quarter then ended. The restatement relates to the allocation of proceeds from issuance of Convertible Debentures and warrants and recognition of beneficial conversion feature as follows:

The Company allocated the proceeds from the issuance of the Convertible Debentures and warrants based on their respective fair values and included $900,000 in additional paid in surplus related to the warrants. In addition, the conversion feature of the Convertible Debentures is characterized as a "beneficial conversion feature." Pursuant to Emerging Issues Task Force Issue No. 00-27, the Company has determined that the value of the beneficial conversion feature is $1,600,000. Accordingly, the Company has discounted the balance of the Convertible Debenture as of the date of issuance and included

$1,600,000 in additional paid in surplus. The beneficial conversion feature is amortized from the date of issuance to the stated redemption date of July 12, 2007, of which $278,533 was amortized to expense during the three months ended September 30, 2005.

The table below reflects the effect of the allocation of proceeds from issuance of Convertible Debentures and warrants and recognition of beneficial conversion feature on net income and earnings per share as originally reported.

Items	Quarter Ended September 30, 2005
Net (loss)	
As previously reported	$ (1,063,499)
Amortization of Discount on Debt	278,533
As restated	$ (1,342,032)
Basic and Diluted loss per share	
As previously reported	$ (.47)
Amortization of Discount on Debt	(.12)
As restated	$ (.59)

Restated Selected Balance Sheet Data

Items	September 30, 2005
	(unaudited)
Discount on Debt	
As previously reported	$ -
Recognition of discount on convertible debt net of accumulated amortization	2,221,467
As restated	$ 2,221,467
Total assets	
As previously reported	$ 18,959,068
Recognition of discount on convertible debt net of accumulated amortization	2,221,467
As restated	$ 21,180,535
Paid In Surplus	
As previously reported	$ 8,048,845
Allocation of proceeds from issuance of Convertible Debentures and warrants and recognition of beneficial conversion feature	2,500,000
As restated	$ 10,548,845

Total Stockholders' Equity	
As previously reported	$ 2,562,617
Allocation of proceeds from issuance of Convertible Debentures and warrants and recognition of beneficial conversion feature net of amortization of discount on debt	2,221,467
As restated	$ 4,784,084

A summary of the significant effects of the restatement follows:

	For the Quarter Ended September 30, 2005	
	As previously reported	As restated
Amortization of Debt Discount	$ -	$ 278,533
Net loss	(1,063,499)	(1,342,032)
Basic and Diluted loss per share	(.47)	(.59)
Discount on Debt	-	2,221,467
Other Assets	2,220,035	4,441,502
Total assets	18,959,068	21,180,535
Paid In Surplus	8,048,845	10,548,845
Total Stockholders' Equity	2,562,617	4,784,084

NOTE 2 - REVENUE RECOGNITION

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

NOTE 3 - USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of deferral, contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 - MINORITY INTEREST

The minority interest in PriceEnergy.Com, Inc. is a deficit and, in accordance with Accounting Research Bulletin No. 51, subsidiary losses should not be charged against the minority interest to the extent of reducing it to a negative amount. As such, the losses have been charged against the Company, the majority owner. The loss for three months ended September 30, 2005 is $187,666.

NOTE 5 - NOTES RECEIVABLE

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

The note is secured by stock of Able Montgomery, Inc. and the assets of Andrew W. Schmidt. The income from the sale of the company and the accrued interest on the new note are shown as deferred income and amounted to $79,679 which will be realized on collection of the note.

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

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NOTE 5 - NOTES RECEIVABLE (CONTINUED)

B. The Company has three Notes Receivable related to the sale of oil delivery trucks to independent drivers. These independent drivers also deliver oil for the Company. Two notes bear interest at the rate of 12% per annum and one at a rate of 9% per annum. These three notes were made in December 1998, February 1999 and January 2004. The notes are payable eight (8) months per year September through April, the oil delivery season.

C. On July 27, 2005, the Company 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 the 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 are payable ninety days after the date of the Promissory Note. The promissory note is secured by a lien on 1,000,000 shares of the Company's common stock held by All American. These shares have a pre-existing lien held by the Company's former Chief Executive Officer.

Maturities of the Note Receivable are as follows:

For the 12 Months Ending September 30,	Principal Amount
2006	$ 1,791,143
2007	26,074

2008	21,627
2009	23,731
2010	18,708
Thereafter	55,971
Total	$ 1,937,261

NOTE 6 - INVENTORIES

Items	September 30, 2005	June 30, 2005
Heating Oil	$ 1,241,629	$ 335,245
Diesel Fuel	36,772	34,409
Kerosene	10,207	3,025
Propane	21,859	28,020
Parts, Supplies and Equipment	326,290	326,290
Total	$ 726,987	$ 726,987

NOTE 7 - LINE OF CREDIT
On May 13, 2005, the Company entered into a $1,750,000 Line-Of-Credit with Entrepreneur Growth Capital, LLC. The loan is secured by accounts receivable and inventory. In addition to accounts receivable and inventory the line is collateralized by deposit accounts, books and records, computer programs general intangibles (including customer lists, trademarks, etc.),and rights, title and interest in any and all assets and personal property owned by third parties. The line carries interest at Citibank's prime rate, plus 4% per annum not to exceed 24% with a minimum interest of $11,000 per month. The line also requires an annual facility fee of 2% of the total available facility limit and monthly collateral management fees equal to .025%. The balance due as of September 30, 2005 is $1,066,490.

NOTE 8 - NOTES PAYABLE BANK
On May 13, 2005, the Company entered into a term loan with Northfield Savings Bank for $3,250,000. Principal and interest are payable in monthly installments of approximately $21,400 commencing July 1, 2005. The initial interest rate is 6.25% per annum on the unpaid principal balance for the first five years, to be reset every fifth anniversary date at 3 percent over the five year treasury rate, but not lower than the initial rate; at that time the monthly payment will be reset. At the maturity date of June 1, 2030, all remaining amounts are due.

The Note is secured by Company-owned real property located at 344 Route 46, Rockaway, New Jersey and an assignment of leases and rents at such location. The interest rate on default is 4% per annum above the interest rate then in effect.

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NOTE 8 - NOTES PAYABLE BANK (CONTINUED)
Maturities of the Note Payable Bank are as follows:

For the 12 Months Ending September 30,	Principal Amount
2006	$ 56,600
2007	60,240
2008	64,115
2009	68,239

2010	72,628
Thereafter	2,914,594
Total	$ 3,236,416

Management believes that the carrying value of its long-term debt approximates fair value in accordance with SFA 107.

NOTE 9 - NOTES PAYABLE

A. Note payable dated, August 27, 1999, related to the purchase of B & B Fuels facility and equipment. The total principal of the Note was $145,000. The Note is payable in the monthly amount of principal and interest of $1,721.18 with an interest rate of 7.5% per annum. The initial payment was made on September 27, 1999, and continues monthly until August 27, 2009, which is the final payment. The Note is secured by a mortgage granted by Able Energy New York, Inc. on property at 2 and 4 Green Terrace and 4 Horicon Avenue, Town of Warrensburg, Warren County, New York. The balance due on this Note at September 30, 2005 was $ 69,908.

B. The following notes are all collateralized by the equipment and/or furniture purchased. The capitalized leases payable are lease/purchase agreements with a small purchase price at the end of the lease:

	Interest Rate at September 30, 2005	Maturities
Notes Payable - Collateralized		
By Trucks and Vans	2.90 - 12.506%	10/20/05-8/10/
Capital Leases Payable - Collateralized by Trucks, Vans and Oil Tanks	4.075 - 9.498%	12/8/06-4/5/1
Notes and Capital Leases Payable - Collateralized by Office and Computer Equipment	10.995 - 16.196%	12/15/06-7/19/

Maturities on the Notes Payable at September 30, 2005 are as follows:

For the 12 Months Ending September 30,	Principal Amount
2006	$ 265,868
2007	247,200
2008	231,865
2009	141,849
2010	19,317
Total	$ 906,099

NOTE 10 - CONVERTIBLE DEBENTURES

On July 12, 2005, the Company consummated a financing in the amount of $2.5 million. Under such financing the Company sold debentures evidenced by a Variable Rate Convertible Debenture (the "Convertible Debentures"). The Convertible Debentures have a term of 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 security holders received five year warrants to purchase 192,308 shares of common stock at an exercise price of $7.15 per share. The Company has 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 the Company sells securities at a purchase price that is below the $6.50 conversion price.

The Company allocated the proceeds from the issuance of the Convertible Debentures and warrants based on their respective fair values and included $900,000 in additional paid in surplus related to the warrants. In addition, the conversion feature of the Convertible Debentures is characterized as a "beneficial conversion feature." Pursuant to Emerging Issues Task Force Issue No. 00-27, the Company has determined that the value of the beneficial conversion feature is $1,600,000. Accordingly, the Company has discounted the balance of the Convertible Debenture as of the date of issuance and included $1,600,000 in additional paid in surplus. The beneficial conversion feature is amortized from the date of issuance to the stated redemption date of July 12, 2007, of which $278,533 was amortized to expense during the three months ended September 30, 2005.

The Company also originally granted to the security holders who acquired the Convertible Debentures an additional investment right, for a period of eighteen months from the date the resale prospectus is declared effective, 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"). As described in further detail in the Company's Current Report on Form 8-K filed on November 18, 2005, the rights of the Company and the Purchasers relating to the Additional Debentures and Additional Warrants were eliminated as of November 16, 2005, and the Agreement was amended to issue the Purchasers a series of warrants (the "New Warrants") at various exercise prices. In the aggregate, the New Warrants permit the holders to acquire up to 5.25 million shares of the Company's common stock upon proper exercise. The Company has agreed to register 600,000 shares of common stock which may be obtained through the exercise of the New Warrants in addition to the registration rights described above relating to the Debentures. Notwithstanding the foregoing, until the required shareholder approvals are obtained, the Purchasers have agreed not to convert any Debentures or exercise any Additional Warrants or New Warrants which in the aggregate would exceed 19.999% of the number of shares of the Company's common stock on trading day prior to the date of the Agreement.

NOTE 11- COMMITMENTS AND CONTINGENCIES

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

COMPANY	PERIOD	TOTAL GALLONS	GALLONS OPEN COMMITMENT AT 6/30/04

Petrocom	10/1/05-3/31/06	252,000	252,000
Conectiv Energy	11/1/05-2/28/06	168,000	168,000
Petrocom	10/1/05-4/30/06	294,000	294,000
Center Oil	10/1/05-4/30/06	588,000	588,000
Gulf Oil	11/1/05-2/28/06	168,000	168,000
Petrocom	10/1/05-4/30/06	588,000	588,000
Petrocom	10/1/05-4/30/06	294,000	294,000
Petrocom	10/1/05-4/30/06	294,000	294,000
Petrocom	10/1/05-4/30/06	294,000	294,000
Gulf Oil	10/1/05-4/30/06	294,000	294,000
Total		3,234,000	3,234,000

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

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NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Related to its purchase of the property on Route 46, Rockaway, New Jersey the Company commenced an investigation and remediation of the property and any hazardous substances emanating from the property in order to obtain a No Further Action letter from the New Jersey Department of Environmental Protection (NJDEP). The Company is pursuing recovery of all costs and damages related thereto in the lawsuit by the seller against a former tenant on the purchased property. The Company has assumed all responsibility and direction for the lawsuit, subject to the sharing of any recoveries from the lawsuit with the seller, 50-50 after first $397,500 has been satisfied. In exchange the Company will receive a reduction of the outstanding mortgage in order to compensate for related costs up to $250,000. A settlement has been reached by the Company with regard to the lawsuit. The settlement provides for a lump sum payment of $397,500 from the defendants to the Company. In return, the defendants receive a release and indemnification from the Company. Pursuant to the original agreement, the seller receives 50% of the settlement amount, net of attorney fees.

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

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

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

The Sussex County, New Jersey, Prosecutor's Office is conducting an investigation as a result of the March 14, 2003 explosion and fire. At a hearing on July 27, 2005, the President and former CFO pleaded guilty and received community service. The Company will pay a fine of $20,000 as a result of sentencing which occurred on October 6, 2005.

A lawsuit (known as Hicks vs. Able Energy, Inc.) has been filed against the Company by property owners who allegedly suffered property damages as a result of the March 14, 2003 explosion and fire. The Company's insurance carrier is defending as related to compensatory damages. Legal counsel is defending on the punitive damage claim. On June 13, 2005, the Court granted a motion certifying a plaintiff class action which is defined as "All Persons and Entities that on and after March 14, 2003, residing within a 1,000 yard radius of Able Oil Company's fuel depot facility and were damaged as a result of the March 14, 2003 explosion". The claim is limited to economic loss and claims for personal injury have been specifically excluded from the Class Certification. The insurer has settled approximately 2190 claims against the Company. The Company believes that the Class Claims for compensatory damages is within the available limits of its insurance.

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

As a result of the March 14, 2003 explosion and fire, various claims for property damage have been submitted to the Company's insurance carrier. These claims are presently being handled and, in many cases, settled by the insurance carrier's adjuster. There were 227 claims being handled of which 219 have been handled and adjusted with reserves for losses established as deemed appropriate by the insurance carrier.

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

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NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

NOTE 12 - RELATED PARTY TRANSACTIONS
The following officers of this Company own stock in the subsidiary, PriceEnergy.Com, Inc., which they incorporated in November 1999:

Former Chief Executive Officer	23.5%
President	3.6%
Chief Operating Officer	2.3%

No capital contributions have been made by these officers (See Notes 1 and 7).

The Company has entered into a consulting agreement with its former Chief Executive Officer ("CEO") on February 16, 2005 (see note 20). The agreement is for two years and provides for annual fees of $60,000 to be paid in monthly installments. In addition the former CEO received options to purchase 100,000 shares of the Company's common stock at $4.00 per share. The options were exercised on July 7, 2005, at which time the closing price was $16.89. The former CEO was paid $15,000 related to this agreement during the period ended September 30, 2005.

On February 22, 2005, the Company borrowed the sum of $500,000 from Able Income Fund, LLC ("Able Income"). The loan was evidenced by a promissory note (the "Note") issued by the Company to the order of Able Income in the principal amount of $500,000 bearing interest at the rate of 14% per annum payable interest only in the amount of $5,833.33 per month with the principal balance and any accrued unpaid interest due and payable on May 22, 2005. The Note was secured by a mortgage on property located in Warrensburg Industrial Park, Warrensburg, New York, owned by Able Energy New York, Inc., a wholly owned subsidiary of the Company. One of the owners of Able Income is Timothy Harrington, the former Chief Executive Officer of the Company. The maturity date of the Note was extended to August 22, 2005.

Able Income subsequently agreed to surrender the Note as of September 30, 2005, in exchange for 57,604 shares of the Company's common stock, $.001 par value. The number of shares exchanged was determined by dividing the principal balance of the Note, together with all accrued and unpaid interest thereon as of September 30, 2005, by $8.68, representing a 20% discount off the average closing price of the Company's stock as listed on the Nasdaq SmallCap Market for the period from October 3, 2005 through October 14, 2005. The shares were offered only to Able Income in connection with the surrender of the Note and, thus, were exempt from registration under Section 4(2) of the Securities Act of 1933, as amended, as not being a part of any public offering.

On September 19, 2005 an officer of the Company exercised options to acquire 50,000 shares of the Company's common stock at a price of $6.68 per share. In connection with this exercise the officer entered into a one year $100,000 promissory note collateralized by the common stock of the Company held by the officer and secured by the officer's wages. It was subsequently determined that it was improper for the Company to accept a promissory note from such officer, and the promissory note was repaid in full, with accrued interest, by the officer as of November 18, 2005.

The Company entered into a Stock Purchase Agreement in June 2005 ("Purchase Agreement") with all of the shareholders (the "Sellers") of All American Plazas, Inc. ("All American") in connection with the Company's acquisition of All American. The transaction is expected to be consummated in November 2005, upon receipt of the required approval by our stockholders. All American currently owns approximately 40% of the Company's outstanding shares. The Company's 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 the Company's Vice President Business Development, Frank Nocito, is Vice

President of All American. In addition, one of the Company's directors, Stephen Chalk, performs certain paid consulting services in the area of real estate development for All American. At the closing, the Company will deliver to the Sellers 11,666,667 shares of our restricted common stock, par value $.001 per share, at $3.00 per share for an aggregate purchase price of $35,000,000. In addition, at the closing, the Company will deliver to certain of the Sellers a number of shares of its restricted common stock equal to the number of shares of its common stock owned by All American as of the closing date.

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

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NOTE 12 - RELATED PARTY TRANSACTIONS (CONTINUED)

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

On July 27, 2005, the Company made a loan in the amount of $1,730,000 to All American, and All American executed and delivered a Promissory Note for the full amount of the loan in favor of the Company (see note 5).

In connection with two loans entered into by the company in May 2005 (see note 4), fees in the amount of $167,500 were paid to Unison Capital Corporation, a company in which a vice president of the Company has a related interest. This individual also has a related party interest to All American, the Company's largest shareholder.

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

NOTE 13 - BUSINESS SEGMENT INFORMATION

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

	CONTINUING OPERATIONS QUARTER ENDED SEPTEMBER 30, 2005	2004
Home Heating Oil #2	$ 5,108 746	$ 1,842,254
Commercial Oil #2	1,689,717	1,557,659
Gasoline, Diesel Fuel, Kerosene, Propane & Lubricants	5,610,500	4,127,047
Equipment Sales & Services	254,386	285,329

Installation Repairs & Services	468,064	409,556
Net Sales	$ 13,131,413	$ 8,221,845

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS
SHARE-BASED PAYMENT
In December 2004, the FASB issued SFAS No. 123(R), "Share-Based Payment," which is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation." Statement 123(R) supersedes Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees," and amends SFAS No. 95, "Statement of Cash Flows." Generally, the approach in Statement 123(R) is similar to the approach described in Statement 123. However, Statement 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Statement is effective for fiscal years beginning after June 15, 2005.

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS (CONTINUED)

Statement 123(R) permits public companies to adopt its requirements using one of two methods:

A. "Modified prospective" method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of Statement 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of Statement 123 for all awards granted to employees prior to the effective date of Statement 123(R) that remain unvested on the effective date.

B. "Modified retrospective" method which includes the requirements of the modified prospective method described above, but also permits entities to restate, based on the amounts previously recognized under Statement 123 for purposes of pro forma disclosures, either (a) all prior periods presented or (b) prior interim periods of the year of adoption.

The Company adopted Statement 123(R) on July 1, 2005 using the modified prospective method. The impact of this Statement was immaterial to our consolidated financial statements.

NOTE 21 - SUBSEQUENT EVENTS
On March 1, 2005, the Company entered into an amendment (the "Agreement") to an existing consultant agreement with Summitt Ventures, Inc. ("Summitt"). The value of the consideration contemplated to be rendered by Summitt to the Company under the Agreement was approximately $71,000, and the Company issued 142,857 shares of the Company's common stock (the "Shares"), valued at $0.50 per share, as payment. The Shares at the time of issue were unregistered, restricted shares of the Company and not subject to any registration requirement. The shares were offered only to Summitt in connection with the Agreement and, thus, were exempt from registration under Section 4(2) of the Securities Act of 1933, as amended, as not being a part of any public offering. The Shares are not convertible into any other class or series of equity of the Company. No proceeds were received by the Company at the time of issuance of the Shares and no proceeds have been received by the Company on account of the Agreement. On September 22, 2005, the Company terminated the Agreement with Summitt, with cause, and on October 13, 2005, the Company notified Summitt that it was canceling the certificate evidencing the Shares on the grounds that, among other things, Summitt induced

the Company to enter into the Agreement through misrepresentation.

On October 13, 2005, the Company received a letter from the Nasdaq Listing Qualifications Staff ("Nasdaq"), notifying the Company that it was not in compliance with Marketplace Rule 4310(c)(2)(B)(ii) (the "Rule"). The Rule requires the Company to have a minimum $35 million in market value of listed securities, or $2.5 million in shareholders' equity or $500,000 in net income from continuing operations for the most recently completed fiscal year or two of the three most recently completed fiscal years. Nasdaq informed the Company that it would be provided 30 calendar days, or until November 14, 2005, to regain compliance with the Rule.

The Company was required to demonstrate compliance with the Rule by November 14, 2005 by either:

- showing aggregate market value of its common stock in excess of $35 million for a minimum of 10consecutive business days, or

- increasing its shareholders' equity to an amount which exceeds $2.5 million.

The shareholders' equity reported in this Quarterly Report on Form 10-Q/A is $4,784,084, which exceeds the $2.5 million required under the Rule. Nasdaq has determined that the matters set forth in its October 13, 2005 letter to the Company have been closed.

On September 19, 2005, Gregory D. Frost, the Company's current CEO, Chairman and General Counsel, exercised options to acquire 50,000 shares of the Company's common stock at a price of $6.68 per share. In connection with this exercise Mr. Frost entered into a one year $100,000 promissory note in favor of the Company, which was collateralized by the common stock of the Company owned by Mr. Frost and secured by his wages. The note was payable on the one-year anniversary of its issuance, together with interest thereon at the prime rate. Monthly interest payments were to begin in November 2005. It was subsequently determined that it was improper for the Company to accept a promissory note from Mr. Frost due to his status as director of the Company at the time of the option exercise, and the promissory note was repaid in full, together with accrued interest, by Mr. Frost as of November 18, 2005.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Statements in this Quarterly Report on Form 10-Q/A concerning the Company's outlook or future economic performance, anticipated profitability, gross billings, expenses or other financial items, and statements concerning assumptions made or exceptions to any future events, conditions, performance or other matters are "forward looking statements," as that term is defined under the Federal Securities Laws. Forward-looking statements are subject to risks, uncertainties, and other factors that would cause actual results to differ materially from those stated in such statements. Such risks, and uncertainties and factors include, but are not limited to: (i) changes in external competitive market factors or trends in the Company's results of operation; (ii) unanticipated working capital or other cash requirements and (iii) changes in the Company's business strategy or an inability to execute its competitive factors that may prevent the Company from competing successfully in the marketplace.

OVERVIEW

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

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

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

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

CRITICAL ACCOUNTING POLICIES

Our accounting policies are described in Note 2 of the condensed consolidated financial statements included in this Report on Form 10-Q/A for the quarter ended September 30, 2005. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

REVENUE RECOGNITION

Sales of fuel and heating equipment are recognized at the time of delivery to the customer, and sales of equipment are recognized at the time of installation.

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

RESULTS OF OPERATIONS

The following table presents the percentage of total revenues for the periods indicated and changes from period to period of certain items included in our Condensed Consolidated Statements of Operations.

	% FOR THREE MONTHS ENDED		PERIOD-TO
	SEPTEMBER 30, 2005 (as restated)	SEPTEMBER 30, 2004	% CHANG 2005 (as r VS. 20
Net sales	100.0%	100.0%	59.7
Cost of sales	93.0	92.6	60.4
Gross profit	7.0	7.4	50.8
Selling, general and administrative expenses	11.4	13.4	36.0
Depreciation and Amortization Expense	2.2	3.6	(0.8
Loss from operations	(6.6)	(9.6)	10.7
Interest and Other Income	0.4	0.6	(9.6
Interest Expense	(1.3)	(0.9)	118.3
Amortization of Discount on Debt	(2.1)	-	*
Loss on sale of assets	-	(0.4)	*
Legal Fees Relating to Accident	(0.5)	(0.3)	182.8
Loss before income tax provision	(10.2)	(10.6)	53.8
Income tax provision	(0.0)	(0.0)	*
Net loss	(10.2)	(10.6)	53.8

* Not meaningful

THREE MONTHS ENDED SEPTEMBER 30, 2005 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2004

Revenue for the three months ended September 30, 2005 increased approximately $4.9 million or 59.7% over the three months ended September 30, 2004. This increase can be attributed primarily to the pass-through of fuel oil costs to customers and a total increase of liquid fuel product sales of approximately 9.3% offset by the impact of marketing changes in the way the Company sells to its discount customers.

Gross profit margins for the three months ended September 30, 2005 decreased to 7.0% from 7.4% for the three months ended September 30, 2004. The decrease in margin was the result of the dramatically rising product costs during the period. Retail pricing was adjusted as necessary to cover most of the increases while continuing to maintain the Company's competitive position in the marketplace. Gross profit margin was also affected by a strong increase in sales of our PriceEnergy subsidiary in our present market area. Selling, general and administrative expenses for the three months ended September 30, 2005 increased by approximately $397,000 or 36.0% compared to the three months ended September 30, 2004. The Company attributes this increase primarily to an increase in professional fees of approximately $175,000 related to general corporate matters including SEC filings and potential acquisitions, an increase in payroll related to the addition of key management positions of approximately $122,000, and an increase in credit card processing fees of approximately $90,000 which relates partly to the increase in revenue and the shift of customer payment methods to more credit card based payment.

Depreciation and amortization expense remained relatively flat for the three months ended September 30, 2005 as compared to the three months ended September 30, 2004.

Other income (expenses) increased to a net expense of $464,511 in the three months ended September 30, 2005 from $80,355 in the three months ended September 30, 2004. The increase of approximately $384,000 is primarily related to an increase in interest expense of approximately $92,000 related to debt financing and issueance of convertible debentures entered into

during July 2005 and a non-cash charge of approximately $279,000 related to the amortization of the beneficial value ascribed to conversion rights of the convertible debentures and value of warrants issued in connection with the convertible.

Operating loss for the three months ended September 30, 2005 was $874,186 compared to $790,031 for the three months ended September 30, 2004. The net increase in the operating loss for the period was directly related to an increase in selling, general and administrative expenses partially offset by an overall improvement in gross margin dollars.

Our effective tax rate for the three months ended September 30, 2005 and the three months ended September 30, 2004 is negligible. The difference in the Company's effective tax rate from the federal statutory rate is primarily due to a 100% valuation allowance provided for all deferred tax assets.

Net loss for the three months ended September 30, 2005 was approximately $1.3 million compared to $872,626 for the three months ended September 30, 2004. The net increase directly related to an increase in selling, general and administrative expenses and the increase in interest and other expenses, partially offset by an overall improvement in gross margin dollars.

LIQUIDITY AND CAPITAL RESOURCES

To date, our principal sources of working capital have been the proceeds from public and private placements of securities and notes payable. Since our inception, sales of securities, including the proceeds from the exercise of outstanding options and warrants, have generated approximately $8.1 million less applicable expenses.

We had working capital of approximately $2.5 million at September 30, 2005 compared to a working capital deficit of approximately $(320,000) at June 30, 2005 and ratios of current assets to current liabilities of 1.25:1 as of September 30, 2005 and .95:1 as of June 30, 2005. The working capital increase of approximately $2.8 was primarily due to issuance of convertible debentures of $2.5 million, the sale of common stock through the exercise of outstanding options and warrants of approximately $0.8 million, and the conversion of note payable into equity of $0.5 million. This increase was partially offset by a net loss of approximately $1.1.

In May 2005 we entered into a $1,750,000 line of credit agreement with Entrepreneurs Growth Capital, LLC. The line is collateralized by accounts receivable and inventories. Outstanding balances under the loan bear interest at an annual rate equal to the Citibank's prime rate plus 4%. As of September 30, 2005 approximately $1.1 million was outstanding and $684,000 was available under this credit line.

On July 12, 2005, the Company consummated a financing with a group of lenders. Pursuant to the terms of the Securities Purchase Agreement, the Company sold variable rate convertible debentures in the amount of $2.5 million. The debentures shall be repaid within two years from the date of issuance with interest payable at a rate per annum equal to Libor, plus 4%, which on July 12, 2005 was 3.57% plus 4%, or 7.57%. The interest is payable quarterly on the first of January, April, July, and October. The debentures may be converted at the option of the purchasers into shares of the Company's Common Stock at a conversion price of $6.50 per share. The amount of shares to be issued at such conversion will be 384,618. In addition, the purchasers shall have the right to receive five-year warrants to purchase 192,308 shares of Common Stock at $7.15 per share. The market value of the Company's Common Stock on July 12, 2005 was $17.90 per share. The debenture conversion price of $6.50 is 36.31% of the market value. Closing expenses related to this transaction totaled $315,000, including a $250,000 broker fee and $65,000 in various legal expenses.

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

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

MATERIAL COMMITMENTS

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

	PAYMENTS DUE BY PERIOD			
CONTRACTUAL OBLIGATIONS	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	3
Long-Term Debt	$ 4,391,000	$ 1,155,000	$ 162,000	$

Capital Lease Obligations	888,000	250,000	619,000	
Operating Leases	89,000	89,000	-	
Unconditional Purchase Obligations	5,693,000	5,693,000	-	
Other Long-Term Obligations	2,500,000	-	2,500,000	
Total Contractual Cash Obligations	$ 13,561,000	$ 7,187,000	$ 3,281,000	$

Excluded from the table above is estimated interest payments on long-long term debt and capital lease obligations of approximately $369,000, $766,000, $368,000 and $1,987,000 for the periods less than 1 year, 1-3 years, 3-5 years, and more than 5 years, respectively.

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, the Company's primary delivery area.

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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company does not issue or invest in financial instruments or derivatives for trading or speculative purposes. All of the operations of the Company are conducted in the United States, and, as such, are not subject to material foreign currency exchange rate risk. At September 30, 2005, the Company had approximately $6.7 million of outstanding long-term debt and convertible debentures. Although the Company's assets included approximately $4.7 million in cash and cash equivalents, the market rate risk associated with changing interest rates in the United States is not material.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the acting chief executive officer ("Acting CEO") (who ceased performing the duties of Acting CEO on October 13, 2005) and chief financial officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that

evaluation, the Company's management, including the Acting CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of September 30, 2005.

There were no significant changes in the Company's internal control over financial reporting in the first fiscal quarter of 2006 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As a result of the March 14, 2003 fire at the Newton, New Jersey, terminal, 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, 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.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) 1. On July 12, 2005, the Company consummated a financing with certain purchasers identified in the Securities Purchase Agreement dated as of July 12, 2005 (collectively the "Purchasers"), in a transaction permitted under section 4(2) of the Securities Act of 1933, in the amount of $2.5 Million Dollars.

Pursuant to the terms of the Securities Purchase Agreement dated as of July 12, 2005 (the "Agreement") among Able Energy, Inc., and the Purchasers, the Purchasers purchased Debentures in the aggregate amount of $2.5 Million Dollars evidenced by a Variable Rate Convertible Debenture also dated July 12, 2005 (the "Debenture"). The 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 on April 1st, July 1st, October 1st and January 1st, beginning on the first such date after the date of issuance of the Debentures. The Debentures may be converted at the option of the Purchasers into shares of our common stock at a conversion price of $6.50 per share. In addition, the Purchasers shall have the right to receive five (5) year warrants to purchase 192,308 of common stock at an exercise price of $7.15 per share. Pursuant to the Agreement, 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 Debentures for 125% of the face amount of the Debentures plus all accrued and outstanding interest and expenses, as well as a right to repurchase all of the 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.

Pursuant to the Registration Rights Agreement among the parties, the Purchasers shall have demand registration rights with respect to all shares of our common stock obtained by them through the conversion of the Debentures. The Purchasers originally had an additional investment right, for a period of nine months after the initial registration statement is filed by us with the Securities and Exchange Commission (the "SEC") is first declared effective by the SEC, 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"). As described in further detail in the Company's Current Report on Form 8-K filed on November 18, 2005, the rights of the Company and the Purchasers relating to the Additional Debentures and Additional Warrants were eliminated as of November 16, 2005, and the Agreement was amended to issue the Purchasers a series of warrants (the "New Warrants") at various exercise prices. In the aggregate, the New Warrants permit the holders to acquire up to 5.25 million shares of the Company's common stock upon proper exercise. The Company has agreed to register 600,000 shares of common stock which may be obtained through the exercise of the New Warrants in addition to the registration rights described above relating to the Debentures. Notwithstanding the foregoing, until the required shareholder approvals are obtained, the Purchasers have agreed not to convert any Debentures or exercise any Additional Warrants or New Warrants which in the aggregate would exceed 19.999% of the number of shares of the Company's common stock on trading day prior to the date of the Agreement.

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2. On February 22, 2005, the Company borrowed the sum of $500,000 from Able Income Fund, LLC ("Able Income"). The loan was evidenced by a promissory note (the "Note") issued by the Company to the order of Able Income in the principal amount of $500,000 bearing interest at the rate of 14% per annum payable interest only in the amount of $5,833.33 per month with the principal balance and any accrued unpaid interest due and payable on May 22, 2005. The Note was secured by a mortgage on property located in Warrensburg Industrial Park, Warrensburg, New York, owned by Able Energy New York, Inc., a wholly owned subsidiary of the Company. One of the owners of Able Income is Timothy Harrington, the former Chief Executive Officer of the Company. The maturity date of the Note was extended to August 22, 2005.

Able Income subsequently agreed to surrender the Note as of

September 30, 2005, in exchange for 57,604 shares of the Company's common stock, $.001 par value. The number of shares exchanged was determined by dividing the principal balance of the Note, together with all accrued and unpaid interest thereon as of September 30, 2005, by $8.68, representing a 20% discount off the average closing price of the Company's stock as listed on the Nasdaq SmallCap Market for the period from October 3, 2005 through October 14, 2005. The shares were offered only to Able Income in connection with the surrender of the Note and, thus, were exempt from registration under Section 4(2) of the Securities Act of 1933, as amended, as not being a part of any public offering.

(b) Non-applicable

(c) None

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

(a) 1. On March 1, 2005, the Company entered into an amendment (the "Agreement") to an existing consultant agreement with Summitt Ventures, Inc. ("Summitt"). The value of the consideration contemplated to be rendered by Summitt to the Company under the Agreement was $71,428.50, and the Company issued 142,857 shares of the Company's common stock (the "Shares"), valued at $0.50 per share, as payment. The Shares at the time of issue were unregistered, restricted shares of the Company and not subject to any registration requirement. The shares were offered only to Summitt in connection with the Agreement and, thus, were exempt from registration under Section 4(2) of the Securities Act of 1933, as amended, as not being a part of any public offering. The Shares are not convertible into any other class or series of equity of the Company. No proceeds were received by the Company at the time of issuance of the Shares and no proceeds have been received by the Company on account of the Agreement. On September 22, 2005, the Company terminated the Agreement with Summitt, with cause, and on October 13, 2005, the Company notified Summitt that it was canceling the certificate evidencing the Shares on the grounds that, among other things, Summitt induced the Company to enter into the Agreement through misrepresentation.

2. On October 13, 2005, the Company received a letter from the Nasdaq Listing Qualifications Staff ("Nasdaq"), notifying the Company that it was not in compliance with Marketplace Rule 4310(c)(2)(B)(ii) (the "Rule"). The Rule requires the Company to have a minimum $35 million in market value of listed securities, or $2.5 million in shareholders' equity or $500,000 in net income from continuing operations for the most recently completed fiscal year or two of the three most recently completed fiscal years. Nasdaq informed the Company that it would be provided 30 calendar days, or until November 14, 2005, to regain compliance with the Rule.

The Company was required to demonstrate compliance with the Rule by November 14, 2005 by either:

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- showing aggregate market value of its common stock in excess of $35 million for a minimum of 10 consecutive business days, or

- increasing its shareholders' equity to an amount which exceeds $2.5 million.

The shareholders' equity reported in this Quarterly Report on Form 10-Q/A is $4,784,084, which exceeds the $2.5 million required under the Rule. Nasdaq has determined that the matters set forth in its October 13, 2005 letter to the Company have been closed.

(b) None.

ITEM 6. EXHIBITS

10.1 Securities Purchase Agreement dated as of July 12, 2005, between Able Energy, Inc., and the purchasers identified on the signature pages thereto (incorporated by reference to exhibit 99.1 to the Able Energy, Inc., Current Report on Form 8-K filed July 15, 2005).

10.2 Registration Rights Agreement dated as of July 12, 2005, between Able Energy, Inc., and the purchasers signatory thereto (incorporated by reference to exhibit 99.3 to the Able Energy, Inc., Current Report on Form 8-K filed July 15, 2005).

10.3 Form of Variable Rate Convertible Debenture dated July 12, 2005 (incorporated by reference to exhibit 99.2 to the Able Energy, Inc., Current Report on Form 8-K filed July 15, 2005).

10.4 Form of Common Stock Purchase Warrant (incorporated by reference to exhibit 99.4 to the Able Energy, Inc., Current Report on Form 8-K filed July 15, 2005).

10.5 Promissory Note of All American Plazas, Inc., in favor of Able Energy, Inc., dated July 27, 2005. (Incorporated by reference to exhibit 10.5 to the Able Energy, Inc. Current Report filed October 19, 2005.)

10.6 Letter of Intent between Able Energy, Inc., and PHS Group, Inc., dated September 8, 2005. (Incorporated by reference to exhibit 10.6 to the Able Energy, Inc. Current Report filed October 19, 2005.)

10.7 Subscription Agreement between Able Income Fund LLC and Able Energy, Inc., dated as of September 30, 2005.

31.1 Certification of Chief Executive Officer of Periodic Report pursuant to Rule 13a-14(a) and Rule 15d-14(a).

31.2 Certification of Chief Financial Officer of Periodic Report pursuant to Rule 13a-14(a) and Rule 15d-14(a).

32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Able Energy, Inc.

By: /s/ Gregory D. Frost

Gregory D. Frost
Chief Executive Officer, Chairman and General Counsel

By: /s/ Steven M. Vella

Steven M. Vella
Chief Financial Officer

November 21, 2005