ABLE ENERGY INC
Form 10-K
November 17, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the Fiscal Year Ended June 30, 2007

OR

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

For the transition period from to

Commission file number: 001-15035

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

Delaware (State or other jurisdiction of incorporation or organization)	22-3520840 (I.R.S. employer identification No.)
198 Green Pond Road Rockaway, NJ (Address of principal executive offices)	07866 (Zip code)

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

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, Par value $.001 Per Share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer £	Accelerated Filer £
Non-Accelerated Filer S (Do not check if a smaller reporting company)	Smaller reporting company £

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

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately $2.1 million on December 31, 2006, based on the last reported sales price of the registrant's common stock on the Pink Sheets on such date. All executive officers, directors and 10% or more beneficial owners of the registrant's common stock have been deemed, solely for the purpose of the foregoing calculation, "affiliates" of the registrant.

As of October 16, 2008, there were 14,965,389 shares of the registrant's common stock, $.001 par value, issued and outstanding.

ABLE ENERGY, INC. AND SUBSIDIARIES
FORM 10-K
For the Years Ended
June 30, 2007 and 2006

TABLE OF CONTENTS

		Page No.
	PART I	
	Explanatory Note	3
ITEM 1.	Business	4
ITEM 1A.	Risk Factors	14
ITEM 1B.	Unresolved Staff Comments	23
ITEM 2.	Properties	23
ITEM 3.	Legal Proceedings	24
ITEM 4.	Submission of Matters to a Vote of Security Holders	26
	PART II	
ITEM 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	27
ITEM 6.	Selected Financial Data	29
ITEM 7.	Management's Discussion and Analysis of Financial Condition and Results of Operation	29
ITEM 7A.	Quantitative and Qualitative Disclosures About Market Risk	37
ITEM 8.	Financial Statements and Supplementary Data	38
ITEM 9.	Changes In and Disagreements With Accountants on Accounting and Financial Disclosure	38
ITEM 9A.	Controls and Procedures	39
ITEM 9B.	Other Information	39
	PART III	
ITEM 10.	Directors and Executive Officers of the Registrant	40
ITEM 11.	Executive Compensation	45
ITEM 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	52
ITEM 13.	Certain Relationships and Related Transactions, and Director Independence	54
ITEM 14.	Principal Accountant Fees and Services	58
	PART IV	
ITEM 15.	Exhibits and Financial Statement Schedules	59
Signatures		65
Exhibit 31.1		
Exhibit 31.2		

Exhibit 32.1	
Exhibit 32.2	

2

Explanatory Note

The consolidated financial statements for the year ended June 30, 2006 of the Registrant contained in this Annual Report were audited by Marcum & Kliegman LLP ("M&K"), the Registrants predecessor independent registered public accounting firm whose report was dated April 4, 2007. M&K has not withdrawn its report dated April 4, 2007 contained in the Company's Annual Report on Form 10-K filed with the SEC on April 12, 2007. However, M&K, has not separately consented to reissue its report for the fiscal year ended June 30, 2006 in this June 30, 2007 Annual Report on Form 10-K.

Furthermore, the Registrant intends to withdraw its Registration Statement on Form S-8 (File No. 333-50944), as amended, and will not deem securities issued listed in such registration statement to be registered under the Securities Act of 1933, as amended.

For additional information regarding the Registrant's current litigation with M&K, please refer to Note 22 - Subsequent Events, Litigation to the Consolidated Financial Statements in Item 8 of this Annual Report and Part II, Item 9 (Changes in and Disagreements with Accountants on Accounting and Financial Disclosure) contained in this Annual Report.

PART I

Item 1. Business

Forward-Looking Statements

Certain matters discussed herein may constitute forward-looking statements and as such may involve risks and uncertainties. In this Report, the words "anticipates," "believes," "expects," "intends," "future" and similar expressions ident certain forward-looking statements. These forward-looking statements relate to, among other things, expectations of the business environment in which we operate, projections of future performance, perceived opportunities in the market and statements regarding our mission and vision. Our actual results, performance, or achievements may differ significantly from the results, performance or achievements expressed or implied in such forward-looking statements. For discussion of the factors that might cause such a difference, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation". We undertake no obligation to update or revise such forward-looking statements.

General

Able Energy, Inc. ("Able") was incorporated on March 13, 1997, in the state of Delaware. Its current subsidiaries are Able Oil Company, Inc. ("Able Oil"), Able Energy New York, Inc. ("Able NY"), Able Oil Melbourne, Inc. (inactive, as of February 8, 2008), ("Able Melbourne"), Able Energy Terminal, LLC, PriceEnergy.com Franchising, LLC (inactive), Able Propane, LLC (inactive), PriceEnergy.com, Inc. ("PriceEnergy") and All American Plazas, Inc. ("Plazas"). Able, together with its operating subsidiaries, are hereby referred to as the Company.

Overview

During the year ended June 30, 2007, the Company's total revenues were $93.6 million. The Company is engaged in two primary business activities, organized in two segments; the Oil Segment and the Travel Plaza Segment.

The Company's Oil Segment, consisting of Able Oil, Able NY, Able Melbourne, Able Energy Terminal, LLC and PriceEnergy, is engaged in the retail distribution of, and the provision of services relating to, #2 home heating oil, propane gas, kerosene and diesel fuels. In addition to selling liquid energy products, the Company offers complete heating, ventilation and air conditioning ("HVAC") installation and repair and other services and also markets other petroleum products to commercial customers, including on-road and off-road diesel fuel, gasoline and lubricants. During the year ended June 30, 2007, the Oil Segment accounted for $74.1 million of the Company's net revenues. Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements, for disclosure relating to the February 8, 2008 sale of the Able Melbourne assets and liabilities and the July 22, 2008 sale of 49% of the common stock of Able NY and the Company's Easton and Horsham, Pennsylvania operations ("Able PA") and the subsequent rights granted to the Company on October 31, 2008 to repurchase those shares of stock in Able NY and the interest in Able PA.

The Company's Travel Plaza Segment, operated by Plazas, is engaged in the retail sale of food, merchandise, fuel, personal services, onsite and mobile vehicle repair, services and maintenance to both the professional and leisure driver through a current network of 10 travel plazas, located in Pennsylvania, New Jersey, New York and Virginia. During the last one-month period in the year ended June 30, 2007, in which the results of the Travel Plaza Segment were included in the Company's consolidated results, the Travel Plaza Segment accounted for $19.6 million of the Company's net revenues.

Oil Segment

During the year ended June 30, 2007, sales of heating oil accounted for approximately 70% of the Oil Segment's net revenues. The remaining 30% of revenues were from sales of gasoline, diesel fuel, kerosene, propane gas, home heating equipment services, central air conditioning sales and service and related sales. As of the date of this Annual Report, the Oil Segment currently serves approximately 29,000 home heating oil customers from three locations, which are located in Rockaway, New Jersey, Easton, Pennsylvania and Warrensburg, New York.

The Oil Segment also provides installation and repair of heating equipment as a service to its customers. The Oil Segment considers service and installation, repair and other services to be an integral part of its business. Accordingly, the Oil Segment regularly provides service incentives to obtain and retain customers. The Oil Segment provides home heating equipment repair service on a 24 hour-a-day, seven day-a-week basis, generally within four hours of request. Except in isolated instances, the Oil Segment does not provide service to any person who is not a customer as an incentive to become a customer of the Oil Segment.

The Oil Segment believes that it obtains new customers and maintains existing customers by offering full service home energy products at competitive 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 Oil Segment also regularly provides service incentives to obtain and retain customers. The Oil Segment aggressively promotes its services through a variety of direct marketing media, including mail and telemarketing campaigns, by providing discounts to customers who refer new customers to the Oil Segment, and through an array of advertising, including television advertisements, newspaper advertising, refrigerator magnets and billboards, which aim to increase brand name recognition.

The Oil Segment intends to expand its operations by acquiring select operators in the Oil Segment'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. The Oil Segment may also enter into marketing alliances with other entities in product areas that are different from the Oil Segment's current product mix.

Retail Fuel Oil Distribution

The Oil Segment's retail fuel oil distribution business is conducted through the Company's subsidiaries Able Oil, Able NY and Able Melbourne (until February 8, 2008 at which time the Company sold the assets and certain of the liabilities of the Melbourne operation). The Oil Segment serves both residential and commercial fuel oil accounts. The Oil Segment sells premium quality #2 home heating oil to its residential customers offering delivery seven days a week. To its commercial customers, in addition to selling heating oil, the Oil Segment sells diesel fuels, lubricants, gasoline and kerosene. The Oil Segment also provides an 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 Oil Segment's service department; however, the Oil Segment does offer such service contracts, if desired.

Approximately 41% of the Oil Segment's customers receive their home heating oil pursuant to an automatic delivery system without the customer having to make an affirmative purchase decision. Based on each customer's historical consumption patterns and prevailing weather conditions, the Oil Segment's computers schedule these deliveries. Customers can also order deliveries of home heating oil through the Oil Segment's website located at www.ableenergy.com, or the website of the Company's subsidiary, PriceEnergy at www.priceenergy.com. The Oil Segment delivers home heating oil approximately six times each year to the average customer. The Oil Segment bills customers promptly upon delivery or receives payment upon delivery. The Oil Segment's customers can pay for fuel deliveries with cash, check, electronic account debit or credit card.

In addition, approximately 14% of the Oil Segment's customers have 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 Oil Segment has historically purchased fuel oil for these customers in advance and at a fixed cost.

The Oil Segment delivers with its own fleet of 35 custom fuel oil trucks, 3 propane trucks and 4 owner-operator fuel oil delivery trucks. The Oil Segment'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 Oil Segment also operates 23 Company-owned service vans and one 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 Oil Segment subsidiary, accounting for approximately 69% of the Oil Segment's total revenues for the year ended June 30, 2007. Able Oil is headquartered in Rockaway, New Jersey, and serves approximately 16,000 oil customer accounts throughout northern New Jersey, primarily in Morris, Sussex, Warren, Passaic and Essex counties, from its distribution terminal in Rockaway, New Jersey and in Pennsylvania, primarily in Northampton and Lehigh counties and from its distribution terminal in Easton, Pennsylvania. Of these accounts, approximately 92% are residential customers and 8% are commercial customers.

Of the Oil Segment's 35 fuel oil trucks, 30 are reserved for use by Able Oil, of which 25 trucks operate from the Rockaway facility and 5 trucks operate from the Easton, Pennsylvania facility. In addition, Able Oil utilizes the services of five owner-operated trucks. Each owner-operator is under contract with the Company, which provides that each owner operator is responsible for all vehicle-operating expenses including insurance coverage. All of the trucks, including the owner-operated trucks, are well marked with the Oil Segment's logo and contact information.

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

The Rockaway and Newton (which is currently out of service) facilities have the capacity to store 3.0 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 high inventory turnover enables the Oil Segment to rapidly respond to changes in market prices. Thus, management typically employs a "just in time" inventory practice and rarely stores fuel to capacity levels. Additional fuel oil purchases are made daily on the spot market using electronic funds transfers. Able Oil transports its fuel purchases from wholesale purchase sites to its Rockaway facility with two tractor-trailer tankers owned by the Oil Segment, and by other outside vendors that are contracted by the Oil Segment to provide additional fuel transport capacity.

Able Oil's oil burner service operates out of the Route 46 facility in Rockaway, New Jersey. Able Oil dispatches a total of 19 service vans, plus one owner-operated service van.

Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements, for disclosure relating to the Company's July 22, 2008 sale of 90% of its interest in Able Oil's Easton and Horsham, Pennsylvania operations and the subsequent right granted to the Company on October 31, 2008 to repurchase that interest.

Able Melbourne

Able Melbourne (currently inactive, see below) was established in July 1996, and was located in Cape Canaveral, Florida. For the year ended June 30, 2007, revenues from Able Melbourne accounted for approximately 6.4% of the Oil Segment's total revenue. Able Melbourne was engaged primarily in the sale of diesel fuel for commercial fleet fueling and other on-road vehicles, and dyed diesel fuel, which was 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 revenue was generated from the sale of home heating oil, lubricant and lubricant products. Able Melbourne served approximately 200 customer accounts in Brevard County, Florida, primarily in the Cape Canaveral area.

Able Melbourne delivered fuel with two fuel delivery trucks, which were capable of storing 6,000 gallons of fuel, in the aggregate. Because Able Melbourne's peak season was at the opposite time of the year than the rest of the Oil Segment's, during this season, Able Melbourne used one of Able Oil's trucks to meet its demand. Able Melbourne did not have facilities to store fuel oil beyond what was held on its trucks, and thus, purchased fuel inventory from local refineries. However, since Able Melbourne is located only three miles from the bulk storage facility, the lack of inventory capacity was not material to the Oil Segment's operations or revenue.

Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements, for disclosure relating to the February 8, 2008 sale of the assets and certain liabilities of Able Melbourne.

Able NY

Able NY is engaged in the retail distribution of #2 home heating oil, in addition to kerosene, propane gas and propane gas equipment and also provides related services to its customer base in the Warren, northern Saratoga, and southern Essex Counties of upstate New York.

The retail and commercial heating oil and diesel fuel operations are similar to those of Able Oil. Able NY has its office and storage located in an industrial park off of Route 9 in Warrensburg, New York. There is storage capacity for 67,500 gallons of heating oil, kerosene and diesel. This is currently the only Oil Segment location that stores and sells propane gas. Propane gas 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 NY provides its propane customers with such tanks, some at no charge, and by doing so, remains such customers' exclusive supplier of propane. Able NY employs a delivery system similar to the Oil Segment'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. Based on each customer's historical consumption patterns and prevailing weather conditions, Able NY's computers schedule these deliveries. A small percentage of its customers prefer to order refill deliveries on their own schedule and Able NY accommodates those requests as appropriate.

Able 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 35 customers per day. Able NY purchases wholesale propane on the spot market at local facilities and utilizes the services of contract carriers to bring the product to its Warrensburg facility.

Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements, for disclosure relating to the Company's July 22, 2008 sale of 49% of the common stock of Able NY and the subsequent right granted to the Company on October 31, 2008 to repurchase those shares of Able NY.

PriceEnergy

PriceEnergy started business in October 2000, and as of June 30, 2007 was a 67.3% owned subsidiary of Able. As of the date of the filing of this Annual Report, the Company owns 92% of PriceEnergy. Please refer to Note 22 – Subsequent Events, found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report. 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 it to sell and deliver liquid fuels and related energy products. This has been possible by utilizing a branded distribution channel of dealers and the Oil Segment's own delivery network. By leveraging its proprietary Internet technology and wireless dispatch platform, PriceEnergy has achieved cost leadership while providing it with a competitive advantage in the industry.

As of the date of this Annual Report, PriceEnergy has a network of 66 dealers in eight states in the Northeast and Mid-Atlantic regions. PriceEnergy customers order products and services from PriceEnergy over the Internet and then PriceEnergy computers forward the orders to the local dealer to schedule delivery on behalf of PriceEnergy.

During the period from July 28, 2006 to August 15, 2006, PriceEnergy entered into future contracts for #2 heating oil to hedge a portion of its forecasted heating season requirements. PriceEnergy purchased 40 contracts through a broker for a total of 1,680,000 gallons of #2 heating oil at an average call price of $2.20 per gallon. Due to warmer than average temperatures through the heating season, as of June 30, 2007, PriceEnergy experienced a substantial drop in fuel consumption and price, resulting in a loss on these contracts. Through June 30, 2007, PriceEnergy deposited a total of $923,017 in margin requirements with the broker and realized a loss of $923,017 on 40 closed contracts representing 1,680,000 gallons.

PriceEnergy processed orders for approximately 9.2 million gallons of #2 home heating oil over the Internet through PriceEnergy.com in the fiscal year ended June 30, 2007.

Travel Plaza Segment

Acquisition of Travel Plaza Assets

On May 30, 2007, Able completed its business combination with its largest shareholder, All American Plazas, Inc., a Pennsylvania corporation. Subsequent to the business combination, All American Plazas, Inc. changed its name to All American Properties, Inc. ("Properties"). This business combination resulted in Able acquiring the operating assets of eleven multi-use truck stop plazas, formerly operated by Properties, and assuming certain of Properties debt. (One of the acquired plazas, Strattanville, Pennsylvania, was subsequently shut-down in April, 2008 due to unprofitable operations at that site.) Properties retained ownership of the underlying real property on which each of the acquired travel plazas was situated. Able formed a new wholly-owned subsidiary, All American Plazas, Inc. ("Plazas"), a Delaware corporation, to operate the acquired plazas. Able also acquired a ten year option to acquire any of the travel plaza real estate owned by Properties, providing that the Company assume all existing debt obligations related to the applicable properties. The option has been valued at $5.0 million and is exercisable as long as the Plaza's leases relating to the applicable real estate remain in effect. The Plaza leases automatically renew, upon the mutual consent of Plazas and Properties, for consecutive one year terms so that the total term of each lease shall be for a period of ten years.

Able issued to Properties 10 million restricted shares of its common stock in consideration for the business combination, which was approved by more than 90% of Able's disinterested stockholders at a special meeting of Able's stockholders held on August 29, 2006.

In addition, Able issued 1,666,667 shares in the name of Properties, held in escrow. In the event that Able's Board, in exchange for additional consideration from Properties, agrees to assume Properties obligations as to certain convertible debentures it had previously issued, then the escrowed shares will be issued to the debenture holders that elect to convert their debentures into Able common stock, with any remaining escrowed shares to be released to Properties. The Board's determination to assume the convertible debentures will be based on whether or not the debenture holders elect to convert their respective debentures into shares of Able's common stock and the additional consideration to be provided by Properties. In the event that the debenture holders do not elect to convert or the Board does not agree to assume the debenture obligations, then all of the shares held in escrow will be released to Properties.

As a result of the closing of the business combination with Properties, as of May 30, 2007, Able had 14,808,090 shares of common stock issued and outstanding (which includes the 1,666,667 shares held in escrow). As of May 30, 2007, Properties was the owner of record of 12,666,667 shares of Able common stock, or approximately 85.5% of Able's outstanding shares. The closing price of Able's common stock on May 30, 2007 was $1.65.

Both Properties and its controlling stockholder have agreed to a voting lock-up of the shares that Properties holds in Able regarding election of member's of Able's Board until such time as Properties and its majority stockholder no longer hold a majority of Able's issued and outstanding shares of common stock.

Approximately 85% of the common stock of Properties is owned by the Chelednik Family Trust, a trust established by Frank Nocito, an officer of the Company, and his wife for the benefit of their family members. In addition, pursuant to an agreement between the Chelednik Family Trust and Gregory Frost, through an entity controlled by him and his wife (Crystal Heights, LLC), Gregory Frost, the Company's Chief Executive Officer and Chairman of the Board of Directors, is the beneficial holder of the balance of the outstanding common stock of Properties.

Travel Plaza Operations

The Company's Travel Plaza Segment is engaged in the retail provision of food, merchandise, fuel, lodging (in select locations), personal services, onsite and mobile vehicle repair, services and maintenance to both the professional and leisure driver through a current network of 10 travel plazas, located in Pennsylvania, New Jersey, New York and Virginia. Two of the locations are operated under a Petro franchise, three operate under the Gables brand name and the remaining travel plazas operate under the All American Plazas banner. The Travel Plaza Segment's operations range from full service facilities, such as the Milton Petro in Milton Pennsylvania, to facilities with more limited amenities, such as the Gables of Harrisburg, located in Harrisburg, Pennsylvania. Full service facilities generally include separate gas and diesel fueling islands, lodging, truck maintenance and repair services, overnight parking with communication and entertainment pods, certified truck weighing scales, restaurants and travel and convenience stores offering an array of merchandise catering to the professional truck driver and other motorists.

Related Parties Financing

Properties Financing

On June 1, 2005, Properties completed a financing that, may impact the Company. Pursuant to the terms of the Securities Purchase Agreement (the "Agreement") among Properties and certain purchasers ("Purchasers"), the Purchasers loaned Properties an aggregate of $5,000,000, evidenced by Secured Debentures dated June 1, 2005 (the "Debentures"). The Debentures were due and payable on June 1, 2007, 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. Upon the May 30, 2007 completion of the business combination with Properties and the Company's board approving the transfer of the debt that would also require the transfer of additional assets from Properties as consideration for the Company to assume this debt, then the Debentures are convertible into shares of our common stock at a conversion rate of the lesser of (i) the purchase price paid by us for issuance of our restricted common stock for the assets of Properties upon completion of the business combination, or (ii) $3.00, subject to further adjustment as set forth in the agreement.

The loan is secured by real estate property owned by Properties in Pennsylvania and New Hampshire. Pursuant to the Additional Investment Right (the "AIR Agreement") among Properties and the Purchasers, the Purchasers may loan Properties up to an additional $5,000,000 of secured convertible debentures on the same terms and conditions as the initial $5,000,000 loan, except that the conversion price will be $4.00. Pursuant to the Agreement, these Debentures are in default, as Properties did not complete the business combination with the Company prior to the expiration of the

12-month anniversary of the Agreement.

Subsequent to the consummation of the business combination, we may assume the obligations of Properties under the Agreement. However, the Company's board of directors must approve the assumption of this debt, which requires that Properties transfer additional assets or consideration for such assumption of debt. Based upon these criteria, it is highly unlikely the Company will assume the obligations of Properties, including the Debentures and the AIR Agreement, through the execution of a Securities Assumption, Amendment and Issuance Agreement, Registration Rights Agreement, Common Stock Purchase Warrant Agreement and Variable Rate Secured Convertible Debenture Agreement, each between the Purchasers and us (the "Able Energy Transaction Documents"). Such documents provide that Properties shall cause the real estate collateral to continue to secure the loan, until the earlier of full repayment of the loan upon expiration of the Debentures or conversion by the Purchasers of the Debentures into shares of our common stock at a conversion rate of the lesser of (i) the purchase price paid by us for issuance of our restricted common stock for the assets of Properties upon the completion of the business combination, or (ii) $3.00, (the "Conversion Price"), subject to further adjustment as set forth in the Able Energy Transaction Documents. 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 of our common stock at an exercise price of $3.75 per share. Pursuant to the Able Energy Transaction Documents, the Company also has 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, 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. The stockholders of Properties have agreed to escrow a sufficient number of shares to satisfy the conversion of the $5,000,000 in outstanding Debentures in full. As of the date of this Annual Report, the Company has not assumed any of Properties' obligations with respect to the Debentures.

July 27, 2005 Loan to Properties

The Company loaned Properties $1,730,000 as evidenced by a promissory note dated July 27, 2005. As of June 30, 2007, this note is still outstanding with a maturity date of June 15, 2007 which was extended on various dates until the note was paid-in-full on March 12, 2008. The interest income related to this note for the years ended June 30, 2007 and 2006 was $164,350 and $70,575, respectively. The note and accrued interest receivable in the amount of $1,964,525 have been classified as contra-equity on the Company's consolidated balance sheet as of June 30, 2007.

Manns Haggerskjold of North America, Ltd. ("Manns") Agreement

On May 19, 2006, the Company entered into a letter of interest agreement with Manns, for a bridge loan to the Company in the amount of $35,000,000 and a possible loan in the amount of $100 million based upon the business combination with Properties ("Manns Agreement"). The terms of the letter of interest provided for the payment of a commitment fee of $750,000, which was non-refundable to cover the due-diligence cost incurred by Manns. On June 23, 2006, the Company advanced to Manns $125,000 toward the Manns Agreement due diligence fee. During the period from July 7, 2006 through November 17, 2006, the Company advanced an additional $590,000 toward the Manns Agreement due diligence fee. The amount outstanding relating to these advances as of June 30, 2007 was $715,000. As a result of not obtaining the financing (see below), the entire $715,000 was expensed to amortization of deferred financing costs in the twelve month period ended June 30, 2007.

As a result of the Company receiving a Formal Order of Investigation from the SEC on September 7, 2006, the Company and Manns agreed that the commitment to fund being sought under the Manns Agreement would be issued to Properties, since the Company's stockholders had approved a business combination with Properties and since the collateral for the financing by Manns would be collateralized by real estate owned by Properties. Accordingly, on September 22, 2006, Properties agreed that in the event Manns funds a credit facility to Properties rather than the Company, upon such funds being received by Properties, it will immediately reimburse the Company for all expenses incurred and all fees paid to Manns in connection with the proposed credit facility from Manns to the Company. On or about February 2, 2007, Properties received a term sheet from UBS Real Estate Investments, Inc. ("UBS") requested by Manns as co-lender to Properties. Properties rejected the UBS offer as not consistent with the Manns' commitment of September 14, 2006. Properties subsequently demanded that Manns refund all fees paid to Manns by the Company and Properties. In order to enforce its rights in this regard, Properties has retained legal counsel and commenced an arbitration proceeding against Manns and its principals. See, "Item 3. Legal Proceedings". The Company and Properties intend to pursue their remedies against Manns. All recoveries and fees and costs of the litigation will be allocated between the Company and Properties in proportion to the amount of the Manns due diligence fees paid.

Laurus Master Fund Ltd. ("Laurus") Agreement

On July 5, 2006, the Company received $1,000,000 from Laurus in connection with the issuance of a convertible term note. Of the proceeds received from Laurus in connection with the issuance of the convertible term note, the Company loaned $905,000 to Properties in exchange for a note receivable. Properties used such proceeds to pay (i) certain obligations of CCI Group, Inc. ("CCIG") and its wholly-owner subsidiary, Beach Properties Barbuda Limited ("BPBL"), which owned and operated an exclusive Caribbean resort hotel known as the Beach House located on the island of Barbuda, and (ii) a loan obligation owed by BPBL to Laurus which loan was used by CCIG to acquire the Beach House. Properties had previously acquired a 70% interest in CCIG pursuant to a Share Exchange Agreement. The Company received from Laurus a notice of a claim of default dated January 10, 2007. Laurus claimed default under section 4.1(a) of the Term Note as a result of non-payment of interest and fees in the amount of $8,826 that was due on January 5, 2007, and a default under sections 6.17 and 6.18 of the securities purchase agreement for "failure to use best efforts (i) to cause CCIG to provide Holder on an ongoing basis with evidence that any and all obligations in respect of accounts payable of the project operated by CCIG's subsidiary, BPBL, have been met; and (ii) cause CCIG to provide within 15 days after the end of each calendar month, unaudited/internal financial statements (balance sheet, statements of income and cash flow) of the Beach House and evidence that BPBL and the Beach House are current in all of their ongoing operational needs”.

9

The aforementioned interest and fees were paid by the Company on January 11, 2007. Further, the Company has used its best efforts to cause CCIG to provide reports and information to Laurus as provided for in the securities purchase agreement.

In connection with the claim of default, Laurus claimed an acceleration of maturity of the principal amount of the Note of $1,000,000 and approximately $154,000 in default payment (“Default Payment”) as well as accrued interest and fees of approximately $12,000. On March 7, 2007, Laurus notified the Company that it waived the event of default and that Laurus had waived the requirement for the Company to make the Default Payment.

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; however, the Company is affected by the cost of fuel it purchases for resale to its residential and commercial customers.

Customer Stability

The Oil Segment 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 Oil Segment’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 Oil Segment delivers fuel oil and propane to each of its customers an average of 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 Oil Segment provides home heating equipment repair service on a seven-days-a-week basis. No single customer accounts for 10% or more of the Oil Segment’s consolidated revenues.

The Travel Plaza Segment also has a relatively stable customer base due to the tendency of both the professional and leisure drivers to remain with their traditional, familiar service providers. As a result, the Travel Plaza’s customer base includes most customers retained from prior years. Like many other companies in the industry, the Travel Plaza Segment’s operation delivers fuel, food and related travel services and merchandise to their customers 24 hour a day. No single customer accounts for 10% or more of the Travel Plaza Segment’s consolidated revenues.

Product Lines

In the one month of consolidated operations prior to June 30, 2007, the Travel Plaza Segment accounted for $19.6 million of the Company’s revenue. Of this amount, approximately 85% related to fuel sales with the balance related to lodging, food, services, maintenance and merchandise sales. The Travel Plaza Segment facilities generally operate 24 hours a day, seven-days-a-week.

In fiscal year 2007, sales of #2 heating oil accounted for approximately 70% of the Oil Segment's revenues. The remaining 30% of revenues were from sales of gasoline, diesel fuel, kerosene, propane, home heating equipment services and related sales. The Oil Segment 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 businesses are highly competitive.

In addition to competition from alternative energy sources, the Oil Segment competes with distributors offering a broad range of services and prices, from full service distributors similar to the Oil Segment, 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 Oil Segment, 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 Oil Segment, provide equipment repair service on a 24 hour-a-day basis, which tends to build customer loyalty. As a result, the Oil Segment may experience difficulty in acquiring new retail customers due to existing relationships between potential customers and other fuel oil or propane distributors.

In addition to competition from much larger, better financed travel plaza operators, the Travel Plaza Segment competes with operators offering a broad range of services and prices, from full service establishments similar to the Travel Plaza Segment, to deep discount operators offering only fuel. Competition with other companies in the travel plaza industry is based primarily on customer service, location, hours of operation and price. Longstanding customer relationships are typical in the industry. In addition, most travel Plaza operators, including the Travel Plaza Segment; provide service on a 24 hour-a-day basis, which tends to build customer loyalty. As a result, the Travel Plaza Segment may experience difficulty in acquiring new customers due to existing relationships between potential customers and their current providers, competitive pricing and new or upgraded travel plaza operators.

Marketing, Sales and Strategic Partnerships

The Oil Segment believes that it obtains new customers and maintains existing customers by offering its full service home energy products at discount prices, providing quick response in 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 Oil Segment engages in direct marketing campaigns, advertises regularly, offers employee incentives and encourages referrals.

The Oil Segment 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 Oil Segment'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 Oil Segment is not servicing accounts, and act as salespersons for the Oil Segment.

The Oil Segment 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 Oil Segment utilizes its fleet of fuel delivery trucks and service vans as moving advertisements by emblazoning them with the Oil Segment's logo.

Historically, referrals have been an important part of the Oil Segment's efforts to expand its business and the Oil Segment offers incentives to customers who refer business. The Oil Segment 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 Oil Segment through group rate discounts.

The Travel Plaza Segment utilizes numerous marketing, sales and partnership arrangements to promote its products, services and merchandise. The Travel Plaza Segment makes extensive use of partnerships and co-ops with nationally known travel service providers. This approach provides our travel plaza guests and customers with immediate comfort in knowing they are receiving the best service and products from nationally recognized providers. For example, our locations distribute nationally known brand name products, welcome guests into nationally recognized, top quality restaurants and fast food courts, offer market priced lodging accommodations in our nationally recognized hotels (at selected locations), provide professional drivers with innovative, cutting edge pod technology, including access to air conditioning, telephone, cable, including on-demand programming, and Internet access, all in the comfort of their cab. In addition, we provide our guests with well-stocked merchandise and convenience stores and numerous personal services.

In addition to word-of-mouth advertising, the Travel Plaza Segment advertises our services and locations on interstate highway billboards, the Internet, and through trade association websites and newsletters. From time-to-time we advertise restaurant or merchandise specials in local newspapers to both maintain and grow our local customer base. We have also entered into non-binding loyalty service agreements with regional and national corporations and professional driver associations, offering special billing and credit terms, discounts on products and services and cross promotional benefits that encourage guests to visit our other travel plaza locations. Our roadside service vehicles serve as moving advertisements, displaying the livery of their home travel plaza location.

Patents and Trademarks

The Company owns the exclusive right and license to use, and to license others to use, the proprietary marks, including the service marks "Able Energy" (and design) ("Able Energy Proprietary Marks") and "Able Oil" (and design) ("Able Oil Proprietary Marks").

Presently there is no effective determination by the United States Patents and Trademarks Office, (“USPTO”), Trademark Trial and Appeal Board, the trademark administrator of any state, or court regarding the Able Energy or Able Oil 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 or Able Energy. There are no agreements currently in effect that significantly limit the rights of Able Oil or Able Energy to use or license the use of their respective Proprietary Marks except that, in connection with the sale of the Able Melbourne assets, the Company granted the purchaser a perpetual license to use the trademark “Able Oil” solely within the State of Florida and solely in conjunction with the words “Melbourne” or “Florida”.

PriceEnergy.com owns the exclusive right and license to use, and to license others to use, the proprietary marks, including the service mark "PriceEnergy.com" (and design) and "PriceEnergy.com The energy hot spot" (and design) ("PriceEnergy Proprietary Marks"). In addition, PriceEnergy established certain common law rights to the PriceEnergy Proprietary Marks through its continuous, exclusive and extensive public use and advertising. The PriceEnergy Proprietary Marks are not registered in any state. PriceEnergy also owns the domain names PriceEnergy.com, FuelOilPrices.net, HomeHeatingOilPrices.net, HeatingOilPrices.net and PriceEnergy.net.

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 consolidated operations 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.

Other than the following disclosures, management is not aware of any other environmental incident or condition that would cause the potential for environmental liability.

Environmental matters relating to the Oil Segment include the following:

Related to its 1999 purchase of the property on Route 46 in Rockaway, New Jersey, the Company settled a lawsuit with a former tenant of the property and received a lump sum settlement of $397,500. This sum was placed in an attorney's escrow account for payment of all environmental remediation costs. Through June 30, 2007, Able Energy Terminal, LLC has been reimbursed for approximately $310,500 of costs and another $87,000 are not reimbursed and are included in prepaid expenses and other current assets in the accompanying consolidated balance sheet included elsewhere in this filing and must be presented to the attorney for reimbursement. The environmental remediation is currently in progress on this property. The majority of the "free standing product" has been extracted from the underground water table. The remainder of the remediation will be completed over the course of the next eight to ten years using natural attenuation and possible bacterial injection.

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 of New Jersey 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.

On September 26, 2006, the New Jersey Department of Environmental Protection ("NJDEP") conducted a site update inspection, which included a review of the Route 46 site and an update of the progress of the approved remediation. The NJDEP Northern Office director who conducted the inspection, concluded that the remediation progress was proceeding appropriately and that the department approved of the Company's continued plan to eliminate the remaining underground product. 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.

Environmental matters relating to the Travel Plaza Segment include the following:

Clarks Ferry All American

This site has been subject to an ongoing groundwater cleanup program since 1996 when a claim was filed with the Pennsylvania Underground Storage Tank Indemnification Fund (“USTIF”). The remedial action plan has been handled by a third party contractor since 1998. Active remediation efforts ceased in 2004 and a three-year period of well monitoring was started in 2005 calling for six semi-annual well sampling events.

USTIF coverage for the site was approved at 65% of total remediation costs. In 2004, cost estimates to complete the remediation project were prepared by the third party contractor and Plazas accepted a lump sum payout from USTIF of approximately $32,000 (65% of $48,000 estimate of completion costs). In September 2007, the final sampling event was completed and results were favorable. A “Post Remedial Care Plan Completion Report” was submitted to the PA DEP in January 2008 and was accepted the following month. Monitoring wells were closed in March 2008, and a final billing generated for the remedial activities. At June 30, 2008, Plazas owed $8,000 for completion of these activities.

Frystown All American

This site is subject to an ongoing groundwater cleanup program that started in 1998 when the old tanks and fuel islands were replaced. Tanks were not leaking, but lines in the fuel island area had leaked and created the need for soil removal and groundwater cleanup. It is also believed that a heating oil tank removed in the early 90’s was an additional source of contamination. The site was accepted by USTIF for 100% coverage. The groundwater pump and treat system was activated in December, 2001 and was shut down in October, 2005, as the monitoring wells came into compliance. The quarterly well monitoring period was started in December, 2005 and has continued through June, 2007. The final well sampling event in September 2007 was uneventful. The contractor is currently preparing the final site closure report, which will be submitted to the PA DEP for final closure and concurrence that no further remedial activities are necessary.

Belmont All American

This site has been subject to an ongoing groundwater remediation since 2004, when a leak was found in a flex hose at a dispenser. A groundwater filtration system went online in November, 2005. Monthly well samples are taken and good progress is being shown towards the attainment of compliance. Full closure of the site is expected within the next twelve (12) months, with an anticipated cost of approximately $35,000 to Plazas.

Doswell All American

This site presently has no underground storage tanks (“UST's”) in use for storage of petroleum products. Diesel fuel storage is in two above ground storage tanks (“AST’s”); one 500,000 gallons and the other is 100,000 gallons.

In November, 2005, the Virginia Department of Environmental Quality (“VA DEQ”) issued a violation for an unknown release of petroleum product into a storm water runoff pond at the site. Several source areas were identified and ultimately ruled out, with the exception of an oil/water separator that was found to have a faulty valve allowing oil runoff to bypass separator and drain directly to the pond. A new oil/water separator was put in place in December, 2005. On July 9, 2007, the VA DEQ issued a letter canceling any further action relative to this violation.

In April, 2007, the VA DEQ notified Plazas that, due to a change in regulations with respect to AST containment requirements, Plazas would be required to make changes to the existing AST’s and/or containment berm by December 31, 2007. After consideration of various options to bring the site into compliance, it was decided that the best alternative was to dismantle the 500,000 gallon AST.

In November 2007, the 500,000 gallon AST was dismantled and removed from the site at a cost of approximately $15,000. Soil borings in the area of the tank and pad have been clean. No further cost is anticipated relative to this project

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 thereunder, could result in additional, presently unquantifiable, costs or liabilities to the Company.

Employees

As of June 30, 2007, the Company’s full-time employment totaled 645 individuals.

As of June 30, 2007, the Oil Segment’s full-time employment totaled 95 individuals. From October through March, the Oil Segment’s peak season, the Oil Segment employs approximately 120 persons. From April through September, the Oil Segment generally employs approximately 90 persons. Currently, there are no organized labor unions representing any of the employees of the Oil Segment or any of its related companies and management considers relations with its employees to be good.

As of June 30, 2007, the Travel Plaza Segment’s full-time employment totaled 550 individuals. Employment levels remain relatively stable throughout the year. Currently, there are no organized labor unions representing any of the employees of the Travel Plaza Segment or any of its related companies and management considers relations with its employees to be good.

Item 1A. Risk Factors

Set forth below are certain risks and uncertainties relating to our business.

You should carefully consider the following information about risks described below, together with the other information contained in this Annual Report and in our other filings with the SEC, before you decide to buy or maintain an investment in our common stock. We believe the risks described below are the risks that are material to us as of the filing date of this Annual Report. If any of the following risks actually occur, our business financial condition, operating results and future growth prospects would likely be material and adversely affected. In these circumstances, the market price of our common stock could decline, and you may lose all or part of the money you paid to buy our common stock.

We do not believe we have, and we are unsure whether we will be able to generate, sufficient funds to sustain our operations through the next twelve months.

Our management believes that currently available funds will not be sufficient to sustain our operations at current levels through the next twelve months. The Company has incurred losses from continuing operations during the years ended June 30, 2007, 2006 and 2005 of approximately, $6.6 million, $6.2 million and $2.2 million, respectively, resulting in an accumulated deficit balance of approximately $17.7 million as of June 30, 2007. At June 30, 2007, we had $3.0 million in cash and cash equivalents and a working capital deficiency of $3.6 million. Our ability to continue to operate at current levels depends upon, among other things, our ability to generate sufficient revenue from the sale of our products and services and the receipt of continued funding from our existing short-term and long-term financing sources.

In the long-term, our ability to continue as a going concern is dependent on generating sufficient revenue from product sales and the sale of our services. Our ability to generate significant revenue from any of these or other sources is uncertain. Historically, our operations have not generated sufficient revenue to cover our costs. In the event that our operations do not generate sufficient cash, we could be required to reduce our level of operations while attempting to raise additional working capital. We can give no assurance that additional financing will be available to us on acceptable terms or at all. The failure to obtain any necessary additional financing would have a material adverse effect on us. If adequate funds are not available or are not available on acceptable terms, our ability to fund our operations and any intended expansion, to take advantage of business opportunities, to develop or enhance products or services or to otherwise respond to competitive pressures would be significantly limited, and we might need to significantly restrict or discontinue our operations.

The report of our independent registered public accounting firm for the year ended June 30, 2007 contains a qualification relating to our ability to continue as a going concern.

The report of our independent registered public accounting firm on our consolidated financial statements as of June 30, 2007 and for the year then ended contains an explanatory paragraph stating that there is substantial doubt as to our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. This uncertainty may affect our ability to raise additional capital and may also negatively impact our relationships with current and potential suppliers and customers.

These are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem to be immaterial may also impair our business. If any of the following risks actually occur, the business, operating results or financial condition could be material adversely affected.

We have a history of operating losses and expect to sustain losses in the future and may still sustain losses in the future even if we successfully and efficiently integrate the assets of Properties into our business

We have experienced significant operating losses in five out of the last six fiscal years. For the year ended June 30, 2007, we had a loss of approximately $6.6 million. We also expect to incur a loss for the fiscal year ending June 30, 2008.

Managing our growth may affect financial performance

Our growth and expansion has required, and will continue to require, increased investment in management and financial personnel, financial management systems and controls, as well as facilities. We intend to continue to expand our business and operations, including entry into new markets, which will place additional strain on our management and operations. Our future operating results will depend, in part, on our ability to continue to broaden our senior management group and administrative infrastructure, and our ability to attract, hire and retain skilled employees. Our success will also depend on the ability of our officers and key employees to continue to implement and improve our operational and financial control systems and to expand, train and manage our employee base. In addition, our future operating results will depend on our ability to expand our sales and marketing capabilities and expand our customer support operations commensurate with our growth, should such growth occur. If our revenues do not increase in proportion to our operating expenses, our management systems do not expand to meet increasing demands, we fail to attract, assimilate and retain qualified personnel, or our management otherwise fails to manage our expansion effectively, there would be a material adverse effect on our business, consolidated financial condition and operating results.

Substantial long-term debt may adversely impact our long-term ability to expand

As of June 30, 2007, we had long-term liabilities of $4.4 million. Our ability to satisfy such obligations will depend on our 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 our control. There can be no assurance that we will be able to service our indebtedness. If we are unable to service our indebtedness, we will be forced to examine alternative strategies that may include actions such as reducing or delaying capital expenditures, restructuring or refinancing our indebtedness, or the sale of assets or seeking additional equity and/or debt financing. There can be no assurance that we will be able to implement any of these strategies even if the need arises.

Growth dependent upon unspecified acquisitions and adequate financing

Our growth strategy includes the acquisition of existing fuel distributors and truck stops. There can be no assurance that we will be able to identify new acquisition candidates or, even if a candidate is identified, that we 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 our operations, possible difficulties with the assimilation of personnel and operations of acquired companies, the earnings impact associated with the amortization of acquired intangible assets, and the potential loss of key employees of acquired companies. The future success of our business will depend upon our ability to manage our growth through acquisitions. The Company's objective is to grow our customer base through mergers and acquisitions. There can be no assurance that we will have the financing or management and operating personnel to accomplish this objective.

SEC formal order of private investigation

On September 7, 2006, we received a Formal Order of Private Investigation from the SEC pursuant to which we, certain of our officers and a director, were served with subpoenas requesting certain documents and information. The Formal Order authorizes an investigation of possible violations of the anti-fraud provisions of the federal securities laws with respect to the offer, purchase and sale of our securities and our disclosures or failures to disclose material information in our required filings. While we believe that we did not violate any securities laws and we have cooperated fully with and assisted the SEC in its inquiry, there can be no certainty with regard to the outcome of the investigation and there can be no assurance that there will not be a material adverse effect on us. The cost of complying with the SEC investigation may affect our liquidity, consolidated results of operations, and ability to raise cash through the sale of debt or equity securities.

Trademarks and service marks

We believe that our trademarks and service marks have significant value and are important to the marketing of our travel plaza operations, fuel distribution products and services. There can be no assurance, however, that our proprietary marks do not or will not violate the proprietary rights of others, that our marks would be upheld if challenged or that we would not be prevented from using our marks, any of which could have an adverse effect on us and our results of operations. In addition, there can be no assurance that we will have the financial resources necessary to enforce or defend our trademarks and service marks against infringement. Should there be an infringement, and the Company is unsuccessful in litigation, it may negatively impact the Company's revenue.

Liquidity and Going Concern Uncertainty

Our net loss for the year ended June 30, 2007, was \$6.6 million, including non-cash charges totaling approximately \$4.9 million. The Company has been funding its operations through an asset-based line of credit, the issuance of convertible debentures and the proceeds from the exercise of options and warrants. The Company will need some combination of new financing, restructuring of existing financing, improved receivable collections and/or improved operating results in order to maintain adequate liquidity over the course of the 2008 fiscal year.

As of June 30, 2008, the Company had a cash balance of approximately \$2.4 million, of which \$1.5 million represents an obligation for funds received in advance under the pre-purchase fuel program. At June 30, 2008, the Company had available borrowings through its credit line facility of \$0.8 million. In order to meet our liquidity requirements, the Company continues to explore financing opportunities available to it.

The Company is pursuing other lines of business, which include expansion of its current commercial business into other products and services such as bio-diesel, solar energy and other energy related home services. The Company is also evaluating all of its business segments for cost reductions, consolidation of facilities and efficiency improvements. There can be no assurance that we will be successful in our efforts to enhance our liquidity situation.

The accompanying consolidated financial statements included elsewhere in this filing have been prepared in conformity with United States generally accepted accounting principles, which contemplate continuation of the Company as a going concern and assume realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred losses from continuing operations during the years ended June 30, 2007, 2006 and 2005 of $6.6 million, $6.2 million and $2.2 million, respectively. Net cash used in operations during the years ended June 30, 2007 and 2006 was $1.3 million and $1.7 million, respectively. At June 30, 2007, the Company has a working capital deficiency of $3.6 million. These factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements included elsewhere in this filing do not include any adjustments relating to the recoverability of the recorded assets or the classification of the liabilities that may be necessary should the Company be unable to continue as a going concern.

The Company will require some combination of new financing, restructuring of existing financing, improved receivable collections and/or improved operating results in order to maintain adequate liquidity over the course of the year ending June 30, 2008. Also, see "Timeliness of future SEC filings", below.

There can be no assurance that the financing or the cost saving measures as identified above will be satisfactory in addressing the short-term liquidity needs of the Company. In the event that these plans cannot be effectively realized, there can be no assurance that the Company will be able to continue as a going concern.

A limited market for our common stock and "Penny Stock" rules may make buying or selling our common stock difficult

Our common stock presently trades on the pink sheets. As a result, an investor may find it difficult to dispose of, or to obtain accurate quotations as to the price of, our securities. In addition, our common stock is subject to the penny stock rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors. The SEC regulations generally define a penny stock to be an equity that has a market price of less than $5.00 per share, subject to certain exceptions. Unless an exception is available, those regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated therewith and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors (generally institutions). In addition, the broker-dealer must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. Moreover, broker-dealers who recommend such securities to persons other than established customers and accredited investors must make a special written suitability determination for the purchaser and receive the purchaser's written agreement to transactions prior to sale. Regulations on penny stocks could limit the ability of broker-dealers to sell our common stock and thus the ability of purchasers of our common stock to sell their shares in the secondary market.

Our share price may decline due to a large number of shares of our common stock eligible for sale in the public markets. As of June 30, 2008, we had outstanding 14,965,389 shares of common stock and up to 7,127,524 shares issuable upon exercise of the Company's outstanding options, warrants and convertible debentures. Of the Company's 14,965,389 outstanding shares, 11,666,667 of these shares were issued in connection with the consummation of the acquisition of the assets of Properties. These shares are restricted and will be held pursuant to Rule 144. With such a substantial number of shares eligible for future sale, our stock price may decline and investors may find it difficult to sell their shares in the open market at or above their basis in the stock.

Registration rights agreements

On July 12, 2005, the Company consummated a financing with certain purchasers in the sale of $2.5 million of Variable Rate Convertible Debentures (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 of these Debentures received five (5) year warrants to purchase an aggregate of 192,308 of common stock at an exercise price of $7.15 per share (the "2005 Warrants"). Pursuant to the Registration Rights Agreement among the parties, the Company filed a registration statement covering the shares of its common stock that may be issued through the conversion of the Debentures and exercise of the 2005 Warrants. This registration statement was declared effective on December 20, 2005. Since that date, the purchasers converted into shares of the Company's common stock approximately $2.365 million of the principal of the Debentures. The Company has an obligation to keep this registration statement effective on a continuous basis, which obligation the Company breached when it failed to update the registration statement with new audited consolidated financial statements by October 31, 2006. As a result of this breach, the purchasers of the Debentures are entitled to partial liquidated damages in the amount of 2% of the aggregate purchase price of the Debentures then held by the purchasers (which remaining balance of the Debentures at

June 30, 2007 is $132,500) for each month that our breach continues. There are no liquidated damages for not maintaining an effective registration statement covering the 2005 Warrants. The unpaid liquidated damages accrue interest daily based on the rate of 18% per annum. Additionally, the Company's breach of its registration obligations constitutes a default under the Debentures, which enables the purchasers to declare the Debentures immediately due and payable. As of June 30, 2008, the Company has not received any notice from the purchasers of the Debentures regarding this registration rights default.

On July 5, 2006, the Company closed a Securities Purchase Agreement entered into on June 30, 2006 whereby it sold a $1 million convertible term note to Laurus Master Fund, Ltd. ("Laurus"). In conjunction with this issuance the Company agreed that within sixty (60) days from the date of issuance of the convertible term note payable and warrant that it would file a registration statement with the SEC covering the resale of the shares of the Company's convertible term common stock issuable upon conversion of the note and the exercise of the warrant. This registration statement would also cover any additional shares of common stock issuable to Laurus as a result of any adjustment to the fixed conversion price of the note or the exercise price of the warrant. The agreement does not provide any formula for liquidated damages. The Company did not file a registration statement by August 29, 2006 covering the common stock issuable upon conversion of the convertible term note and the exercise of warrants issued to Laurus. As of the filing date of this Annual Report, the Company has yet to file that registration statement. Consequently, the Company is in breach of its registration obligations to Laurus. As of June 30, 2008, the Company has not received any notice from Laurus regarding this registration rights default and or the assessment of any penalties that might have resulted therefrom.

17

On August 8, 2006, the Company issued $2,000,000 of convertible debentures to certain investors. In conjunction with this issuance, the Company had agreed to file a registration statement within forty-five (45) days, or by September 22, 2006, covering the resale of the shares of common stock underlying the debentures and warrants issued to the investors, and by October 15, 2006, to have such registration statement declared effective. The registration rights agreement with the investors provides for partial liquidated damages in the case that these registration requirements are not met. From the date of violation, the Company is obligated to pay liquidated damages of 2% per month of the outstanding amount of the convertible debentures, up to a total of 24% of the initial investment, or $0.5 million. As of the filing date of this Annual Report, the Company has not yet filed a registration statement regarding these securities. Accordingly, through June 30, 2008, the Company has incurred a liquidated damages obligation of $0.5 million, none of which has been paid. In addition, the Company is obligated to pay 18% interest per annum on any damage amount not paid in full within 7 (seven) days. Through June 30, 2008, the Company has incurred an interest obligation of $0.1 million, none of which has been paid. As of the filing date of this Annual Report, the holders have not waived their rights under this agreement. Additionally, the Company’s breach of its registration obligations constitutes a default under the agreement, which enables the holders to declare the convertible debentures immediately due and payable. As of the filing date of this Annual Report, the Company has not received any notice from the purchasers of the convertible debentures regarding this registration rights default or any other default notice.

As of the filing date of this June 30, 2007 Annual Report on From 10-K, , we are in non-compliance with the registration rights requirements of certain financings set forth above covering in the aggregate, 6,698,685 shares of our common stock.

Listing of common stock

Our common stock is currently quoted on the Pink Sheets under the symbol (“ABLE.PK”). The Company will apply for eligibility for trading on the OTC Bulletin Board as soon as it qualifies for listing after it is in compliance with its required SEC filings. To continue such eligibility, we must file our periodic reports with the SEC on a timely basis. If we fail to file such reports within 10 days of their due date, our stock will cease to be eligible for quotation on the OTC Bulletin Board. There can be no assurance that our application for eligibility for quotation on the OTC Bulletin Board will be accepted. If we fail to have our common stock eligible for quotation on the OTC Bulletin Board, the trading volume of our stock may be adversely affected and stockholders may not able to sell any or all of their shares at or above their basis in such stock, which would result in a loss for a selling stockholder.

Timeliness of future SEC filings

The Company was unable to file this Annual Report on Form 10-K, and the September 30, 2007, December 31, 2007, and March 31, 2008 Quarterly Reports on Form 10-Q and the June 30, 2008 Annual Report on Form 10-K on a timely basis. The late filings of these documents may adversely affect our ability to raise capital and erode investor confidence. The Company will continue to make every effort to bring all our SEC filings up-to-date.

Seasonal factors

Our revenues and income are derived from the home heating oil business and our auto and travel plaza service business. Our home heating oil business is seasonal and is a material portion of our business. A substantial portion of the home heating oil business is conducted during the fall and winter months. Weather patterns during the winter months can have a material adverse impact on our 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 affect the results of the Company's fuel oil operations. Our travel plaza services business is much less susceptible to the seasonality issues experienced in our heating oil business.

Approximately 60% to 65% of our revenues from our Oil Segment business are earned and received from October through March. 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.

Fuel pricing and the effect on profitability

Disruption of fuel supply and fuel pricing would adversely affect our profitability. Increases in the pricing for fuel and home heating oil will also adversely affect our profit margins associated with our businesses, since we may not be able to pass on our proportional increases to our customers.

Other factors which may have a significant effect on fuel prices include: natural disasters, such as those which have devastated the Gulf Coast (areas that are major producers, distributors or refiners of petroleum-based products); major global conflicts, especially those involving the U.S. and/or oil producing countries, strikes or political conflict in oil producing countries and the stability of OPEC and its desire not to disrupt worldwide economies through poor management of fuel supply and pricing.

In the future, interruptions in the world fuel markets may cause shortages in, or total curtailment of, fuel supplies. Moreover, a substantial portion of the oil refining capacity in the United States is controlled by major oil companies. These companies, for various reasons (e.g. for new standards imposed by EPA) could in the future decide to limit the amount of fuel sold to independent operators such as us. Any material decrease in the volume of fuel sold for any extended period of time could have a material adverse effect on the results of operations. Similarly, an extended period of instability in the price of fuel could adversely affect our results.

Government regulation

Federal, state and local laws, particularly laws relating to the protection of the environment and worker safety, can materially affect our operations. The transportation and dispensing of fuel oil, diesel fuel, propane and gasoline is subject to regulation by various federal, state and local agencies, including the U.S. DOT. These regulatory authorities have broad powers and we are 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. Additionally, we are subject to random DOT inspections. Any material violation of DOT rules or the Hazardous Materials Transportation Act may result in citations and/or fines on us. In addition, we depend on the supply of petroleum products from the oil and gas industry and, therefore, we may be affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry generally. We cannot determine the extent to which future operations and earnings may be affected by new legislation, new regulations 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 us to liability for the conduct or conditions caused by others. 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.

Potential environmental liability

Our fuel distribution is 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. We face potential liability for, among other things, fuel spills, gas leaks and negligence in performing environmental clean-ups for our customers. Specifically, we maintain fuel storage facilities on sites owned or leased by us, 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 our financial condition or results of operations. Although we believe that we are 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 our 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 us.

No assurance of adequate insurance protection

We maintain insurance policies in such amounts and with coverage and deductibles as our management believes are reasonable and prudent. There can be no assurance, however, that such insurance will be adequate to protect us from liabilities and expenses that may arise from claims for personal and property damage arising in the ordinary course of business or that such level of insurance will be maintained by us at adequate levels or will be available at economic prices. Should the Company not be able to negotiate additional coverage at economical rates, it may negatively affect the Company's consolidated results of operations.

Competition from alternative energy sources (for the home heating oil division)

Our retail home heating business competes for customers with suppliers of alternate energy products, principally natural gas and electricity. Every year, a small percentage of our oil customers convert to other home heating sources, primarily natural gas. In addition, we may lose additional customers due to conversions during periods in which the cost of its services exceeds the cost of alternative energy sources. If this trend continues and the Company is not able to replace these lost customers through expansion or increased market share, it could cause the Company to lose significant revenues. At this point, Able has not suffered any significant loss as a result of conversion to these alternative energy sources.

Concentration of wholesale suppliers for heating oil

We purchase our #2 heating oil fuel supplies on the spot market. We currently satisfy our inventory requirements with ten different suppliers, the majority of which have significant domestic fuel sources, and many of which have been suppliers to us for over five years. Our current suppliers are Hess, Conectiv Energy, Mirabito, Fossil Fuel, Burke Petroleum, Leighow Oil, BioHeat of Colorado, Farm & Home, North Jersey Oil and Sunoco, Inc. (R&M). We monitor the market each day and determine when to purchase our oil inventory and from whom.

During the year ended June 30, 2007, seven suppliers (Sunoco, Hess, Sprague Energy, Catamount Petroleum, Petrocom Energy, Petron Oil Corp. and Valero Supply and Marketing) provided Able Oil and Able NY with approximately 87% of its heating oil requirements.

TransMontaigne Product Services, Inc. provided Able Melbourne with approximately 96% of its diesel fuel product requirements for the year ended June 30, 2007 and Fleetwing provided Able Melbourne with all of its lubricant and related product requirements for the year ended June 30, 2007.

Management believes that if our supply of any of the foregoing products was interrupted, we 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 or that the price the Company may be required to pay for such fuel or the credit terms for such purchases will be acceptable to the Company. Furthermore, currently these suppliers extend us credit toward the purchase of our fuel supplies. There can be no assurance that these suppliers will continue to offer us acceptable credit terms. Should the Company need to secure alternative suppliers for these products, the pricing would be approximately the same.

Absence of written agreements

Approximately 86% of our home heating customers do not have written agreements with us and can terminate services at any time, for any reason. Although we have never experienced a significant loss of our customers, if we were to experience a high rate of terminations, our business and financial condition could be adversely affected. While the Travel Plaza Segment has a number of loyalty based supply and services agreements with commercial fleet customers, none of these agreements require the commercial fleet operators to purchase their fuel and services from the Travel Plaza Segment.

Risks associated with expansion into new markets

A significant element of our future growth strategy involves the expansion of our business into new geographic and product markets. Expansion of our operations depends, among other things, on the success of our 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 and relative inexperience of key personnel

Our future success will depend, to a significant extent, on the efforts of current key management personnel, including Gregory D. Frost, Chairman and Chief Executive Officer, Richard A. Mitstifer, President, Daniel L. Johnston, Chief Financial Officer, William Roger Roberts, Chief Operating Officer, Frank Nocito, Executive Vice-President, Louis Aponte, President, Home Heating Oil Segment and John L.Vrabel, Chief Operating Officer, Price Energy Unit. On May 24, 2007, Gregory D. Frost gave notice to the Board of Directors that he was ending his leave of absence as Chief Executive Officer and Chairman of the Board and was resuming his duties. Messrs Mitstifer, Johnston, Roberts, Nocito and Westad were appointed to their current positions by the Board of Directors on September 24, 2007. Mr. Aponte was appointed to his position on October 22, 2008. The loss of one or more of these key employees could have a material adverse effect on our business. In addition, we believe that our future success will depend, in large part, upon our continued ability to attract and retain highly qualified management, technical and sales personnel. There can be no assurance that we will be able to attract and retain the qualified personnel necessary for our business.

Competition

Our Oil Segment business is highly competitive. In addition to competition from alternative energy sources, we compete with distributors offering a broad range of services and prices, from full service distributors similar to ours, to those offering delivery of home heating fuel 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 home heating industry. Many companies, including ours, 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 ours, provide equipment repair service on a 24 hour-a-day basis, which tends to build customer loyalty. We compete against companies that may have greater financial resources than ours. As a result, we may experience difficulty in acquiring new retail customers due to existing relationships between potential customers and other retail home heating distributors. If the Oil Segment cannot effectively compete, we would suffer losses of revenue and net income.

In addition to competition from much larger, better financed travel plaza operators, the Travel Plaza Segment competes with operators offering a broad range of services and prices, from full service establishments similar to the operations of the Travel Plaza Segment, to deep discount operators offering only fuel. Competition with other companies in the travel plaza industry is based primarily on customer service, location, hours of operation and price. Longstanding customer relationships are typical in the industry. In addition, most travel plaza operators, including the Travel Plaza Segment, provide service on a 24 hour-a-day basis, which tends to build customer loyalty. As a result, the Travel Plaza Segment may experience difficulty in acquiring new customers due to existing relationships between potential customers and their current providers, competitive pricing and new or upgraded travel plaza operators.

Weather

Weather conditions can impact the demand for home heating fuel. Demand for home heating oil is primarily seasonal, utilized in the colder months of the fall, winter, and early spring. Demand is determined by weather patterns and how cold the temperature gets. Ordinarily, most demand is determined by the measurement of heating degree days, a measurement of the average temperature for the day that is below the mean temperature of 65 degrees fahrenheit. If weather patterns are such that temperatures are warmer than normal, then less heating degree days will be used, and less of the Company's home heating products will be sold thereby negatively impacting our revenues and net income (loss).

Heating oil futures contracts

During the period from July 28, 2006 to August 15, 2006, the Company's PriceEnergy subsidiary entered into futures contracts for #2 heating oil to hedge a portion of its forecasted heating season requirements. The Company purchased 40 contracts through various suppliers for a total of 1,680,000 gallons of #2 heating oil at an average price of $2.20 per gallon. Due to warmer than average temperatures through the heating season (lower than average degree days), as of June 30, 2007, the Company has experienced a substantial drop in fuel consumption and price, resulting in a loss on these contracts.

Through June 30, 2007, the Company's PriceEnergy subsidiary has deposited a total of $923,017 in margin requirements with the broker. Through June 30, 2007, the Company has realized a loss of $926,170 on 40 closed contracts representing 1,680,000 gallons.

Risks Particular to the Travel Plaza Segment

We are highly dependent on fuel sales which have low margins.

During the year ended June 30, 2007, net revenues from our fuel sales accounted for approximately 17.9% of our total net revenues. The volume of fuel sold by us and the profit margins associated with these sales are affected by numerous factors outside of our control, including the condition of the long-haul trucking industry, the supply and demand for these products and the pricing policies of competitors. Fuel sales generate very low gross margins.

The U.S. truck stop industry is highly competitive and fragmented, and our competitors may have greater resources or other competitive advantages.

In addition to competition from much larger, better financed travel plaza operators, the Travel Plaza Segment competes with operators offering a broad range of services and prices, from full service establishments similar to the operations of the Travel Plaza Segment, to deep discount operators offering only fuel. Competition with other companies in the travel plaza industry is based primarily on customer service, location, hours of operation and price. Longstanding customer relationships are typical in industry. In addition, most travel Plaza operators, including the Travel Plaza Segment, provide service on a 24 hour-a-day basis, which tends to build customer loyalty. As a result, the Travel Plaza Segment may experience difficulty in acquiring new customers due to existing relationships between potential customers and their current providers, competitive pricing and new or upgraded travel plaza operators.

The truck stop industry is highly dependent on the financial condition of the trucking industry.

Our business is dependent upon the trucking industry in general and upon long-haul trucks in particular. In turn, the trucking industry is dependent on economic factors, such as the level of domestic economic activity and interest rates and operating factors such as fuel prices and fuel taxes, over which we have no control and which could contribute to a decline in truck travel. The long-haul trucking business is also a mature industry that has historically been susceptible to recessionary downturns. Available data indicate that diesel consumption by the trucking industry has grown more slowly than trucking ton-miles, as technological improvements in truck engines have increased their fuel efficiency. In addition, many small trucking companies have filed for bankruptcy protection in recent years. A decline in operations by the long-haul trucking industry would adversely affect us.

Our profitability can be significantly impacted by cyclical factors beyond our control such as decreases in manufacturing output.

The volume of truck shipments is in part dependent on changes in manufacturing output. Sustained decreases in manufacturing production can significantly reduce truck traffic, which in turn reduces fuel purchases and visits to our Plazas, and negatively impacts our results of operations.

A domestic terrorist incident affecting the trucking industry could adversely affect our business.

A domestic terrorist incident, particularly an incident involving a truck, could produce adverse effects on our business in several ways, including:

- a reduction in the volume of truck traffic for more than a brief period;
- the bankruptcy of certain trucking companies; and
- the imposition of additional regulations affecting truck traffic, increasing the expenses of truck operations and businesses that service trucks or provide overnight facilities for trucks and truck drivers, such as our business. For example, additional fences or other security for parked trucks might be required.

The occurrence of any of these effects could have a material negative impact on our results of operations.

We are subject to environmental laws and regulations and the cost of compliance with these requirements could negatively impact the results of our operations.

A significant portion of our business consists of storing and dispensing petroleum products, activities that are subject to increasingly stringent regulation by both the federal and state governments. Moreover, governmental authorities can impose significant fines and penalties on us for any alleged noncompliance with environmental requirements. In addition, under certain environmental laws, private parties can bring lawsuits against us for any property damage or personal injury that allegedly is caused by our operations. We may incur increased expenditures if additional requirements are imposed by federal and state governments, or we fail to comply with environmental requirements and are fined or penalized, or if we must defend or settle lawsuits that might be brought by private parties.

In addition, under various environmental laws, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances (including petroleum and petroleum products) on, under, in, or migrating from such property. Certain laws impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Moreover, under certain environmental laws, persons who arrange, or are deemed to have arranged, for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment site, regardless of whether such site is owned or operated by such person and regardless of whether the original disposal or treatment activity accorded with applicable requirements. As a result of our business and the quantity of petroleum products we handle, there can be no assurance that hazardous substance contamination does not exist or that material liability will not be imposed in the future for the remediation of such contamination.

A disruption in the supply of fuel could adversely affect our profitability.

We would be adversely affected in the event of a disruption in our supply of fuel. In addition, sharp increases in fuel prices at truck stop plazas have historically tended to lead to temporary declines in fuel margins. Fuel prices have risen sharply in the recent past and may continue to rise. Factors which have had significant effects on fuel prices include: the interaction of several factors including low inventories, high demand caused by a spike in the cost of natural gas, major global conflicts, especially those involving the U.S. and/or oil producing countries, strikes or political conflict in oil producing countries, intervention by OPEC in the form of restricted output and changes in output by domestic oil refineries.

In the future, interruptions in world fuel markets may cause shortages in, or total curtailment of, fuel supplies. Moreover, a substantial portion of the oil refining capacity in the United States is controlled by major oil companies. These companies could in the future decide to limit the amount of fuel sold to independent operators like us. Although our current suppliers provide fuel to us, a significant portion of our fuel needs continues to be supplied from third-parties contracted by them. In addition, any new standards that the EPA may impose on refiners that would necessitate changes in the refining process could limit the volume of petroleum products available from refiners in the future. A material decrease in the volume of fuel sold for an extended time period would have a material adverse effect on our results of operations. Similarly, an extended period of instability in the price of fuel could adversely affect our results.

In addition, our patronage by customers desiring to purchase fuel accounts for a significant portion of customer traffic and has a direct impact on the revenues and profitability of our other operations, including our restaurant and non-fuel operations. Accordingly, any significant reductions in fuel supplies or other reductions in fuel volume would materially adversely affect our results.

Weather or seasonal issues have an insignificant impact on the Company’s Travel Plaza Segment. While leisure travel has a tendency to moderate somewhat in the winter months in the geographic areas in which we operate, revenue related to the leisure traveler is relatively insignificant compared to fuel and services related revenue generated by our professional driver customers.

Item 1B. Unresolved Staff Comments

Please refer to Item 3. Legal Proceedings for disclosure relating to matters involving the Securities and Exchange Commission (“SEC”).

Item 2. Properties

The Company's administrative headquarters are located in a 9,800 square foot facility in Rockaway, New Jersey. This facility accommodates the Company's administrative, marketing and sales personnel. The lease expires on October 31, 2007 and carries an annual rent of $122,287, which includes common area charges. The Company owns 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 and administrative offices and service facility when damage that occurred on March 14, 2003 in connection with a fire is repaired. Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements for disclosure relating to the lease of the Newton facility.

Able Melbourne leases a 3,000 square foot concrete and aluminum facility that serves as a storage and 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 located within three miles of its wholesale supplier. The Company is responsible for maintaining all of its facilities in compliance with all environmental rules and laws. Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements for disclosure relating to the sale of the Able Melbourne assets and liabilities on February 8, 2008

On July 1, 2006, Able NY moved into a brand new terminal located at 10 Industrial Park in Warrensburg, NY. This 118,556 square foot property was purchased by the Company in 2003, and accommodates Able NY fuel terminal, including liquid fuel storage tanks, truck yard space, dispatch operations and a small office staff.

Able subleases an office located at 1140 Sixth Avenue in New York City. The lease expires on April 29, 2009 and carries an annual rent increasing from $196,467 to $208,432 over the term of the lease. This 4,569 square foot space is used as our executive offices.

Effective June 1, 2007, Plazas executed ten leases with Properties for ten of Plazas' travel plaza locations. The leases expire on September 30, 2009 and provide for an initial aggregate annual lease payment of $6.5 million. The Plaza leases are renewable annually, upon the mutual consent of Plazas and Properties. The ten properties and their location by state are:

Belmont-NY
Carney-NJ
Doswell-VA
Clarks Ferry-PA
Frystown-PA
Gables of Carlisle-PA
Gables of Frystown-PA
Gables of Harrisburg-PA
Milton-PA
Strattanville-PA (Inactive)

In addition, Plazas leases its Breezewood, PA travel plaza facility from unaffiliated third parties. The primary facility lease was executed on December 31, 2005, expires on December 31, 2010 and was assumed by Plazas upon the completion of the business combination with Properties on May 30, 2007. The annual rent is $420,000. Plazas also lease an adjacent parking area under a lease that expires February 28, 2009. The annual rent for the parking area is $98,000.

Typically, these travel plazas include fuel islands, restaurants, retail and convenience stores, maintenance services, game rooms, personal services, lodging (in certain locations) and other amenities for both the professional and leisure traveler.

In connection with the business combination with Properties, Able acquired a ten year option to acquire any of the travel plaza real estate owned by Properties, providing that the Company assume all existing debt obligations related to the applicable properties. The option has been valued at $5.0 million and is exercisable as long as Plazas' leases relating to the applicable real estate remain in effect. Plazas' leases automatically renew, upon the mutual consent of Plazas and Properties, for consecutive one year terms so that the total term of each lease shall be for a period of ten years.

Item 3. Legal Proceedings

Except as described hereafter, as of June 30, 2007, the Company is not a party to any pending material legal proceeding. To the knowledge of management, no director, executive officer or affiliate of the Company or owner of record or beneficially of more than 5% of the Company’s common stock is a party adverse to the Company or has a material interest adverse to the Company in any proceeding.

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. A lawsuit (known as Hicks vs. Able Energy, Inc.) has been filed against the Company by residents who allegedly suffered property damages as a result of the March 14, 2003 explosion and fire. The Company's insurance carrier is defending the Company as it relates to compensatory damages. The Company has retained separate legal counsel to defend the Company against 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 Company sought and received Court permission to serve interrogatories to all class members and in November 2007 answers to interrogatories were received by less than

125 families and less than 15 businesses. The Company successfully moved to exclude any and all persons and entities from the class that did not previously provide answers to interrogatories. The class certification is limited to economic loss and specifically excludes claims for personal injury from the Class Certification. The Company believes that the Class Claims for compensatory damages is within the available limits of its insurance coverage. On September 13, 2006, the plaintiff's counsel made a settlement demand of $10,000,000, which the Company believes to be excessive and the methodology upon which it is based to be fundamentally flawed. On May 7, 2008, this matter entered mediation. As of the date of this Report, mediation has not been successful but the Company remains open to reasonable settlement discussions with the plaintiffs. The Company intends to vigorously defend the claim.

Relating to the March 14, 2003 explosion and fire, a total of 227 claims have been filed against the Company for property damages and 224 claims have been settled by the Company's insurance carrier. In addition to the Hicks action, six property owners, who were unable to reach satisfactory settlements with the Company's insurance carrier, filed lawsuits for alleged property damages suffered as a result of the March 14, 2003 explosion and fire. Subsequently, four of the lawsuits were settled. Two of the lawsuits are pending. The Company's insurance carrier is defending the Company as it relates to the Hicks action and the remaining two property damage claims. The Company's counsel is defending punitive damage claims. The Company believes that compensatory damage claims are within the available limits of insurance and reserves for losses have been established, as deemed appropriate, by the insurance carrier. The Company believes the remaining three unsettled lawsuits will not have a material adverse effect on the Company's consolidated financial condition or operations.

As previously disclosed, on September 7, 2006, the Company received a Formal Order of Private Investigation from the SEC pursuant to which the Company, certain of its officers and a director were served with subpoenas requesting certain documents and information. The Formal Order authorizes an investigation of possible violations of the anti-fraud provisions of the federal securities laws with respect to the offer, purchase and sale of the Company's securities and the Company's disclosures or failures to disclose material information. The Company believes that it did not violate any securities laws and intends to cooperate fully with and assist the SEC in its inquiry. The scope, focus and subject matter of the SEC investigation may change from time to time and the Company may be unaware of matters under consideration by the SEC. The Company has produced and will, if required, continue to produce responsive documents and intends to continue cooperating with the SEC in connection with the investigation. On May 13, 2008, the Company received correspondence from the SEC requesting the Company respond, in writing, to eleven questions proffered by the SEC staff. The Company provided it’s responses to the eleven questions in it’s response to the SEC, dated May 21, 2008. The responsive correspondence was signed by the Company’s outside SEC counsel, Buchanan Ingersoll & Rooney, PC, after said correspondence was reviewed by the Company’s senior management, as well as the Company’s outside financial consultants.

On July 29 and 30, 2008, the Company’s CEO, Mr. Frost, and the Company’s Executive Vice-President, Business Development, Mr. Nocito, were deposed by the SEC. The Company has been advised by its SEC counsel, who also attended the depositions, that the primary focus of the investigation is for the Company to complete its outstanding, delinquent filings in order to obtain filing compliance.

On June 26, 2007, the Company and its affiliate, All American Properties, Inc. (together with the Company the “Claimants”), filed a Demand for Arbitration and Statement of Claim in the Denver, Colorado office of the American Arbitration Association against Manns Haggerskjold of North America, Ltd. (“Manns”), Scott Smith and Shannon Coe (collectively the “Respondents”), Arbitration Case No. 77 148 Y 00236 07 MAV. The Statement of Claim filed seeks to recover fees of $1.2 million paid to Manns to obtain financing for the Company and All American. The Claimants commenced the Arbitration proceeding based upon the Respondents breach of the September 14, 2006 Commitment letter from Manns to All American that required Manns to loan All American $150 million. The Statement of Claim sets forth claims for breach of contract, fraud and misrepresentation and lender liability. On July 23, 2007, Respondents filed their answer to the Statement of Claim substantially denying the allegations asserted therein and interposing counterclaims setting forth claims against the Company for breach of the Non-Circumvention Clause, breach of the Exclusivity Clause and unpaid expenses. Respondents also assert counterclaims for fraudulent misrepresentation and unjust enrichment. On Respondents’ counterclaim for breach of the Non-Circumvention Clause, Respondents claim damages of $6,402,500. On their counterclaim for breach of the Exclusivity Clause, Respondents claim damages of $3,693,750, plus an unspecified amount related to fees on loans exceeding $2,000,000 closed by All American or the Company over the next five years. Respondents do not specify damages relative to their other counterclaims.

On August 7, 2007, the Claimants filed their reply to counterclaims denying all of Respondents material allegations therein. Respondents’ counterclaims were based on the false statement that the Claimants had, in fact, received the financing agreed to be provided by Manns from a third party. The Respondents subsequently withdrew their counterclaims.

The parties have selected an Arbitrator and are presently engaged in discovery. Document production has been completed and depositions of the parties have commenced. It is anticipated that these depositions will be concluded by the end of November, 2008. The hearing is currently scheduled to commence before the Arbitrator on December 8, 2008.

25

Please refer to Note 22 – Subsequent Events – Litigation, found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report for disclosure relating to other legal proceedings in which the Company is currently involved which may have a material adverse effect on the consolidated operations or financial results of the Company. On occasion, the Company may become a party to litigation incidental to its business. There can be no assurance that any legal proceedings will not have a material adverse affect on the Company.

Item 4. Submission of Matters to a Vote of Security Holders

None

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(a) Market Price and Dividend Information

Since October 13, 2006, the Company's Common Stock has been quoted on the Pink Sheets under the symbol "ABLE". From 1999 until October 13, 2006, the Company's common stock traded on the Nasdaq Capital Market (formerly the Nasdaq Small Cap Market) under the symbol "ABLE". The following table sets forth the high and low bid prices of the Common Stock on a quarterly basis for the 2006, 2007 and 2008 fiscal years as reported by Nasdaq or quoted through the Pink Sheets:

Fiscal Year Ending June 30, 2008	High	Low
First Quarter	$ 2.25	$ 1.35
Second Quarter	1.50	0.60
Third Quarter	0.94	0.60
Fourth Quarter	0.70	0.34

Fiscal Year Ended June 30, 2007	High	Low
First Quarter	$ 7.70	$ 4.43
Second Quarter	4.55	1.80
Third Quarter	2.80	1.82
Fourth Quarter	2.30	1.35

Fiscal Year Ended June 30, 2006	High	Low
First Quarter	$ 18.22	$ 11.45
Second Quarter	12.75	6.25
Third Quarter	9.69	6.50
Fourth Quarter		4.20

(b) As of June 30, 2008, 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.

(d) Recent Sales of Unregistered Securities

On April 30, 2008, the Company issued 14,442 restricted shares of its common stock, $0.001 par value, to a financial consultant, Hammond Associates, LLC, as partial consideration for providing consulting services in connection with satisfying the Company's SEC reporting requirements.

Comparison of Cumulative Total Returns

The following table shows a comparison of cumulative total returns on the common stock of the Company from June 28, 2002 through June 30, 2007 with the cumulative total return on the NASDAQ Stock Market-U.S. and the cumulative total return on a group of NASDAQ Fuel Oils Companies (SIC Code 5983) (the “Peer Group”).

COMPARISON OF CUMULATIVE TOTAL RETURN OF ONE OR MORE
COMPANIES, PEER GROUPS, INDUSTRY INDEXES AND/OR BROAD MARKETS

	FISCAL YEAR ENDING					
COMPANY/INDEX/MARKET	6/28/2002	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/29/2007
Able Energy, Inc.	100.00	90.40	70.00	415.14	162.57	54.29
Peer Group Index	100.00	134.18	157.43	25.35	20.67	31.73
NASDAQ Market Index	100.00	111.20	141.42	141.27	150.36	180.25

28

Item 6. Selected Financial Data

The following selected financial data presented for Able and its Subsidiaries on a consolidated basis should be read in conjunction with the Consolidated Financial Statements, including the related notes, and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operation".

	For the Year Ended June 30,				
	2007	2006	2005	2004	2003
Results of Operation Data-Continuing Operations			(1)	(2)	(2)
Sales	$ 93,641,548	$ 75,093,104	$ 61,872,623	$ 42,847,123	$ 43,365,028
Gross Profit	8,538,014	7,467,895	6,150,470	5,579,654	6,459,633
Operating (Loss) Income	(4,007,513)	(2,857,627)	(1,928,309)	(2,310,863)	241,951
Net (Loss) Income from Continuing Operations	(6,632,303)	(6,241,559)	(2,180,091)	(1,732,959)	26,342
Depreciation and Amortization	740,203	755,700	1,225,197	1,194,958	1,112,098
Interest Expense	949,016	642,517	449,776	576,578	435,992
Basic and Diluted Net Loss Per Share - Continuing Operations	(1.60)	(2.23)	(1.04)	(0.86)	0.01
Basic and Diluted Weighted Average Number of Shares Outstanding	4,133,090	2,800,476	2,094,629	2,013,250	2,012,708
Consolidated Balance Sheet Data					
Cash	$ 3,034,183	$ 2,144,729	$ 1,754,318	$ 1,309,848	$ 400,033
Current Assets	23,143,640	7,164,977	6,100,464	5,531,423	5,504,366
Current Liabilities	26,768,567	7,597,294	6,853,089	5,500,095	5,652,767
Total Assets	48,162,096	13,090,868	12,433,858	12,229,536	12,531,652
Long-Term Liabilities	4,362,542	3,821,488	3,966,041	3,724,692	3,616,461
Total Stockholders' Equity	17,030,987	1,672,086	1,614,728	3,095,927	3,262,424

Notes

(1) The consolidated balance sheet data as of June 30, 2005 and 2004 and the consolidated statement of operations data for the years ended June 30, 2005, 2004 and 2003 have been derived from the consolidated financial statements for such periods.

(2) The consolidated results of operations data for the years ended June 30, 2004 and 2003 have been adjusted to reflect the discontinued operations of Able Propane, LLC.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

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

Overview

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, diesel fuel and complete HVAC service to it heating oil customers. Able NY, a wholly-owned subsidiary of Able, sells residential and commercial heating oil, propane, diesel fuel and kerosene to customers in and 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 a platform that has extended the Company's ability to sell and deliver liquid fuels and related energy products over the Internet. The Company's newest subsidiary, Plazas, was formed to operate eleven travel plazas acquired in connection with the Company's business combination with All American Plazas, Inc. (now known as All American Properties, Inc.) which was consummated on May 30, 2007. These plazas serve the professional and leisure traveler in the mid-Atlantic and northeast regions of the United States of America.

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. 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 (Loss of Heating Degree Days)
- Availability of Financing
- Legislative Changes
- The Availability (Or Lack of) Acquisition Candidates
- The Success of Our Risk Management Activities
- The Effects of Competition
- Changes in Environmental Law

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

Business Strategy

Our business plan calls for maximization of sales throughout our existing Oil Segment and Travel Plaza Segment market areas by means of aggressive market penetration to recapture lost business as well as to attract new customers who have moved into or travel through our market areas. In addition, our external strategy is to acquire related heating oil and travel plaza businesses, which strengthen and expand our current service areas along with moving into planned new areas. In this way, we can realize new residential and commercial business and take advantage of expected population growth in new market regions.

We also are in the process of becoming more vertically integrated through acquisition. In addition to acquiring businesses in the core #2 heating oil portion of our business, we are also developing relationships with potential acquisitions in the area of diesel fuel distribution, truck stop facilities, convenience store/gasoline fueling stations and alternative fuels. Also, the Company is building its delivery coverage area in the northeast by expanding its dealer network and volume capabilities through Internet sales via our PriceEnergy.com platform.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in Note 3 of the consolidated financial statements included in this Annual Report on Form 10-K for the fiscal year ended June 30, 2007. The consolidated financial statements are prepared in accordance with United States generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Revenue Recognition, Unearned Revenue and Customer Pre-Purchase Payments

Sales of travel plaza services, 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. Payments received from customers for the pre-purchase of fuel are recorded as a current liability until the fuel is delivered to the customer, at which time the payments are recognized as revenue by the Company.

Depreciation, Amortization and Impairment of Long-Lived Assets

We calculate our depreciation and amortization based on estimated useful lives and salvage values of our assets. When assets are put into service, we make estimates with respect to useful lives that we believe are reasonable. However, subsequent events could cause us to change our estimates, thus impacting the future calculation of depreciation and amortization.

Additionally, we assess our long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Such indicators include changes in our business plans, a change in the extent or manner in which a long-lived asset is being used or in its physical condition, or a current expectation that, more likely than not, a long-lived asset that will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. If the carrying value of an asset exceeds the future undiscounted cash flows expected from the asset, an impairment charge would be recorded for the excess of the carrying value of the asset over its fair value. Determination as to whether and how much an asset is impaired would necessarily involve numerous management estimates. Any impairment reviews and calculations would be based on assumptions that are consistent with our business plans and long-term investment decisions.

Allowance for Doubtful Accounts

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

Income Taxes

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

Recent Accounting Pronouncements

In June 2005, the Financial Accounting Standards Board (FASB) published Statement of Financial Accounting Standards No. 154, "Accounting Changes and Error Corrections" ("SFAS 154"). SFAS 154 establishes new standards on accounting for changes in accounting principles. Pursuant to the new rules, all such changes must be accounted for by retrospective application to the financial statements of prior periods unless it is impracticable to do so. SFAS 154 completely replaces Accounting Principles Bulletin No. 20 and SFAS 3, though it carries forward the guidance in those pronouncements with respect to accounting for changes in estimates, changes in the reporting entity and the correction of errors. The requirements in SFAS 154 are effective for accounting changes made in fiscal years beginning after December 15, 2005. The Company applied these requirements to accounting changes made after the implementation date. The Company believes the restatement of its 2005 financial results, as discussed in Note 21 of the Notes to the Consolidated Financial Statements, reflects the appropriate application of the guidance found in SFAS 154.

EITF Issue No. 05-4 “The Effect of a Liquidated Damages Clause on a Freestanding Financial Instrument Subject to EITF Issue No. 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock” (“EITF No. 05-4”) addresses financial instruments, such as stock purchase warrants, which are accounted for under EITF 00-19 that may be issued at the same time and in contemplation of a registration rights agreement that includes a liquidated damages clause. The consensus of EITF No. 05-4 has not been finalized. In July and August 2006, the Company entered into two private placement agreements for convertible debentures and a note payable, a registration rights agreement and issued warrants in connection with the private placement (See Note 12). Based on the interpretive guidance in EITF Issue No. 05-4, view C, since the registration rights agreement includes provisions for uncapped liquidated damages, the Company determined that the registration rights is a derivative liability. The Company has measured this liability in accordance with SFAS No. 5.

In February 2006, the FASB issued SFAS No. 155 “Accounting for Certain Hybrid Financial Instruments”, which eliminates the exemption from applying SFAS 133 to interests in securitized financial assets so that similar instruments are accounted for similarly regardless of the form of the instruments. SFAS 155 also allows the election of fair value measurement at acquisition, at issuance or when a previously recognized financial instrument is subject to a remeasurement event. Adoption is effective for all financial instruments acquired or issued after the beginning of the first fiscal year that begins after September 15, 2006. Early adoption is permitted. The adoption of SFAS 155 is not expected to have a material effect on the Company's consolidated financial position, results of operations or cash flows.

In March 2006, the FASB issued SFAS No. 156, “Accounting for Servicing of Financial Assets”, which amended SFAS No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities”, with respect to the accounting for separately recognized servicing assets and servicing liabilities. SFAS 156 permits an entity to choose either the amortization method or the fair value measurement method for each class of separately recognized servicing assets or servicing liabilities. The application of this statement is not expected to have an impact on the Company’s consolidated financial statements.

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48"), which clarifies the accounting for uncertainty in tax positions. This interpretation requires that the Company recognize in its consolidated financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 are effective as of July 1, 2007, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The Company is currently evaluating the impact of adopting FIN 48 on its consolidated financial statements.

In September 2006, the FASB issued SFAS No.157, "Fair Value Measurements", which defines fair value, establishes a framework for measuring fair value in United States generally accepted accounting principles and expands disclosures about fair value measurements. Adoption is required for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Early adoption of SFAS 157 is encouraged. The Company is currently evaluating the impact of SFAS 157, and the Company will adopt SFAS 157 in the fiscal year beginning July 1, 2008.

In September 2006, the staff of the SEC issued Staff Accounting Bulletin ("SAB") No. 108, which provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. SAB 108 became effective in fiscal 2007. Adoption of SAB 108 did not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 158, “Employers Accounting for Defined Pension and Other Postretirement Plans-an amendment of FASB No.’s 87, 88, 106 and 132(R).” SFAS 158 requires an employer and sponsors of one or more single employer defined plans to recognize the funded status of a benefit plan; recognize as a component of other comprehensive income, net of tax, the gain or losses and prior service costs or credits that may arise during the period; measure defined benefit plan assets and obligations as of the employer's fiscal year; and enhance footnote disclosure. For fiscal years ending after December 15, 2006, employers with equity securities that trade on a public market are required to initially recognize the funded status of a defined benefit postretirement plan and to provide the enhanced footnote disclosures. For fiscal years ending after December 15, 2008, employers are required to measure plan assets and benefit obligations. Management of the Company is currently evaluating the impact of adopting this pronouncement on the consolidated financial statements.

In December 2006, the FASB issued FASB Staff Position ("FSP") EITF 00-19-2 "Accounting for Registration Payment Arrangements" ("FSP EITF 00-19-2") which specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement should be separately recognized and measured in accordance with SFAS No. 5, "Accounting for Contingencies." Adoption of FSP EITF 00-19-02 was required for fiscal years beginning after December 15, 2006, and has not had a material impact on the Company's consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement No. 115", which permits entities to choose to measure many financial instruments and certain other items at fair value. The fair value option established by this Statement permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Adoption is required for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS Statement No. 157, Fair Value Measurements. The Company is currently evaluating the expected effect of SFAS 159 on its consolidated financial statements and is currently not yet in a position to determine such effects.

In December 2007, the FASB issued SFAS No. 160 "Noncontrolling Interests in Consolidated Financial Statements–an amendment of ARB No. 51." SFAS 160 establishes accounting and reporting standards pertaining to ownership interests in subsidiaries held by parties other than the parent, the amount of net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest, and the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. This statement also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008. The Company is in the process of evaluating the effect that the adoption of SFAS 160 will have on its consolidated results of operations, financial position and cash flows.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" (SFAS 141R). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for fiscal years beginning after December 15, 2008. The Company is currently evaluating the potential impact of adoption of SFAS 141R on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161 "Disclosures about Derivative Instruments and Hedging Activities". The new standard is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early adoption encouraged. The Company is currently evaluating the impact of adopting SFAS No. 161 on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162 "The Hierarchy of Generally Accepted Accounting Principles". The new standard identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). SFAS No. 162 will become effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles. Adoption of SFAS No. 162, upon its effectiveness, is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Results of Operations - Fiscal 2007 Compared to Fiscal 2006

During the year ended June 30, 2007, the Company's total revenues were $93.6 million. The Company is engaged in two primary business activities, organized in two segments; the Oil Segment and the Travel Plaza Segment.

Please refer to Item 1A. Risk Factors for disclosures related to market forces and risks and their impact on the Company’s consolidated results of operations, in particular, the risks identified under the heading “Fuel pricing and the effect on profitability”.

Oil Segment

Net sales for the year ended June 30, 2007 were $74.1 million versus $75.1 million in the same period last year, a decrease of $1.0 million, or 1.3%. Underlying the relatively flat performance was a $4.7 million, or 9.9%, increase in #2 Heating Oil sales, due primarily to price, a $2.3 million increase in gasohol sales, due to volume, all of which was offset by a $7.5 million, or 54.1%, volume related decrease in commercial fuel sales reflecting the loss of some of the Oil Segment’s commercial fuel customers during the year ended June 30, 2007. While we have initiated efforts to recover and or replace the lost commercial fuel customers and their former net sales, there is no assurance that we will be successful in our efforts.

Gross profit increased $0.4 million and gross profit margin percent for year ended June 30, 2007 increased to 10.6% from 9.9% last year. The increase in gross profit margin percent was the result of improved fuel pricing, partially offset by a loss on future contracts, included in cost of sales, of $0.9 million.

Selling, general and administrative expense for the year ended June 30, 2007 increased by $0.5 million, or 5.0%, compared to the same period in the prior year. Decreases in employee compensation related expenses and bank fees were more than offset by an increase in professional fees of $1.0 million, primarily audit and legal expenses related to the Company's efforts to regain SEC filing compliance and the Company's legal matters, respectively (see Note 20 regarding the Company's legal matters) .

Total other expenses decreased to a net expense of $2.7 million in the year ended June 30, 2007 from $3.4 million last year. The change was primarily related to a $1.1 million decrease in financing costs related to the prior year amortization of debt discounts on convertible debenture and notes payable, partially offset by an increase in registration rights penalty of $0.4 million.

As a result of the above noted performance for the year ended June 30, 2007, net loss improved $0.2 million, or 3.2%, to a loss of $(6.0) million compared to $(6.2) million in the same period last year.

Please refer to Note 14 of the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for the fiscal year ended June 30, 2007 for additional disclosures relating to the Oil Segment of our business.

Travel Plaza Segment

Net sales for the year ended June 30, 2007 were $19.6 million, reflecting the first month of consolidated reporting of the Travel Plaza Segment, acquired May 30, 2007. Gross profit for the period was $1.1 million. Net loss of the Travel Plaza Segment was $0.6 million for this period. No comparable information existed for the period ended June 30, 2006 since the transaction with All American Plazas, Inc., now known as All American Properties, Inc., was not closed during that period.

Please refer to Item 1, Business of this Annual Report for additional disclosures relating to the acquisition of the Travel Plaza Segment business and Note 14 of the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional disclosures relating to the Travel Plaza Segment of our business.

Depreciation and Amortization

Depreciation and amortization expense remained approximately unchanged for fiscal 2007 as compared to fiscal 2006.

Results of Operations - Fiscal 2006 Compared to Fiscal 2005

Revenue for the year ended June 30, 2006 increased to $75.1 million producing a gross profit of $7.5 million. The Company experienced a loss from operations of $2.9 million due mainly to a substantial increase in selling, general and administrative ("SG&A") expenses. In addition, financing related expenses grew to $3.4 million producing a net loss from continuing operations of $6.2 million.

Net sales for fiscal 2006 increased by approximately $13.2 million or 21% to $75.1 million from $61.9 million in fiscal 2005. This increase can be primarily attributed to the substantial increase in the sales price of fuel oil, increasing the selling price per gallon of home heating oil.

Our gross profit for fiscal year ended June 30, 2006 and 2005 was 9.9% and 9.9%, respectively. The gross profit for fiscal 2006 increased by $1.3 million or 21% to $7.5 million from $6.2 million in fiscal 2005. The increase in gross profit was primarily due to increased gross profit in our PriceEnergy subsidiary, increased gross profit from on-road diesel sales and from propane sales at our Warrensburg N.Y. operation. In addition the Company experienced decreased use of sub-contractors in our Rockaway, N.J. service division.

SG&A for fiscal 2006 increased by approximately $2.7 million or 40% compared to fiscal 2005. The Company primarily attributes this increase to increase in legal, consulting and accounting fees of $1.6 million due to professional fees incurred for acquisition and financing related activities. In addition, SG&A increased as a result of the hiring of a CEO, CFO, and a Vice President of Business Development totaling $500,000; along with the establishment of a New York City office at a cost of $100,000. The Company also increased advertising expenditures by $200,000 in order to attempt to increase the Company’s market share.

Liquidity and Capital Resources

We had a net loss of $3.4 million for the three month period ended June 30, 2007, and we incurred a net loss of $6.6 million and used cash in operations of $1.3 million for the twelve month period ended June 30, 2007. Our principal sources of working capital have been the proceeds from borrowing against the Company's receivable and credit card sales and from public and private placements of securities, primarily consisting of convertible debentures and notes payable. During the three month period ended June 30, 2007, the Company raised no new funds. During the twelve month period ended June 30, 2007, the Company secured $4.2 million from the proceeds of convertible debentures and notes payable and less than $0.1 million in proceeds from option exercises. Other than for the day–to-day operations of the Company, less than $0.1 million, net, was expended for advances to related parties and repayment of loans during the twelve month period ended June 30, 2007.

We had a working capital deficiency of $3.6 million at June 30, 2007 compared to a working capital deficiency of $0.4 million at June 30, 2006. The working capital decrease of $3.2 million was primarily due to an increase in the current liability for notes payable and convertible debentures financings.

These factors raise substantial doubt about the Company's ability to continue as a going concern. These condensed consolidated financial statements do not include any adjustments relating to the recoverability of the recorded assets or the classification of the liabilities that may be necessary should the Company be unable to continue as a going concern. The Company will need some combination of the collection of notes receivable, new financing, restructuring of existing financing, improved receivable collections and/or improved operating results in order to maintain adequate liquidity.

The Company is pursuing other lines of business, which include expansion of its current commercial business into other products and services such as bio-diesel, solar energy and other energy related home services. The Company is also evaluating all of its business segments for cost reductions, consolidation of facilities and efficiency improvements. There can be no assurance that we will be successful in our efforts to enhance our liquidity situation.

As of June 30, 2008, the Company had a cash balance of $2.4 million and $0.8 million of available borrowings through its credit line facility, potentially offset by $1.5 million in obligations for funds received in advance under the pre-purchase fuel program. In order to meet our liquidity requirements, the Company continues to explore financing opportunities available to it.

On March 20, 2007, the Company entered into a credit card receivable advance agreement with Credit Cash, LLC ("Credit Cash") whereby Credit Cash agreed to loan the Company $1.2 million. The loan is secured by the Company's existing and future credit card collections. Terms of the loan call for a repayment of $1,284,000, which includes a one-time finance charge of $84,000, over a seven-month period. This will be accomplished through Credit Cash withholding 18% of Credit Card collections of Able Oil Company and 10% of Credit Card collections of PriceEnergy.com, Inc. over the seven-month period, which began on March 21, 2007. There are certain provisions in the agreement which allows Credit Cash to increase the withholding, if the amount withheld by Credit Cash over the seven-month period is not sufficient to satisfy the required repayment of $1,284,000. Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements, for disclosure relating to disclosure of additional transactions with Credit Cash, subsequent to June 30, 2007, that helped to improve or affected the Company’s liquidity.

On May 30, 2007, the Company completed its previously announced business combination between Properties and the Company whereby the Company, in exchange for an aggregate of 11,666,667 shares of the Company’s restricted common stock, purchased the operating businesses of eleven truck stop plazas owned and operated by Properties. 10 million shares were issued directly to Properties and the remaining 1,666,667 shares were issued in the name of Properties in escrow pending the decision by the Company’s Board of Directors relating to the assumption of certain

Properties secured debentures. The acquisition included all assets comprising the eleven truck plazas other than the underlying real estate and the buildings thereon. The Company anticipates that the business combination will result in greater net revenue and reduce overall operational expenses by consolidating positions and overlapping expenses. The Company also expects that the combination will result in the expansion of the Company's home heating business by utilizing certain of the truck plazas as additional distribution points for the sale of the Company's products. Additionally, the Company expects that the business combination will lessen the impact on seasonality on the Company's cash flow since the combined Company will generate year-round revenues.

In order to conserve its capital resources as well as to provide an incentive for the Company's employees and other service vendors, the Company will continue to issue, from time to time, common stock and stock options to compensate employees and non-employees for services rendered. The Company is also focusing on its home heating-oil business by expanding distribution programs and developing new customer relationships to increase demand for its products. In addition, the Company is pursuing other lines of business, which include expansion of its current commercial business into other products and services such as bio-diesel, solar energy and other energy related home services.

On June 1, 2005, Properties completed a financing that may impact the Company. Please refer to Item 1, Business, Travel Plaza Segment for disclosure relating to this financing.

Please refer to Item 1A, Risk Factors, Registration rights agreements for additional disclosure of prior year transactions that may eventually have a negative impact the Company's future liquidity.

Please also refer to Notes 10, 11 and 12 of the Consolidated Financial Statements included in this Annual Report on Form 10-K for additional disclosures relating to the Company's potential future payment obligations for notes payable, capital leases and convertible debentures, respectively.

Subsequent to June 30, 2007, the Company executed numerous financing agreements, sold certain assets and engaged in other activities to enhance its liquidity. Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements, for detailed disclosure of these activities, subsequent to June 30, 2007, that helped to improve the Company's liquidity

The Company must also bring current each of its SEC filings as part of a plan to raise additional capital. In addition to the filing of this Form 10-K for the year ended June 30, 2007, the Company must also complete and file its Reports on Form 10-Q for the quarters ended September 30, 2007, December 31, 2007 and March 31, 2008 and Form 10-K for the year ended June 30, 2008.

There can be no assurance that the financing or the cost saving measures as identified above will be satisfactory in addressing the short-term liquidity needs of the Company. In the event that these plans cannot be effectively realized, there can be no assurance that the Company will be able to continue as a going concern.

Contractual Obligations

The following schedule summarizes our contractual obligations as of June 30, 2007 in the periods indicated:

Contractual Obligation	Total	Less Than 1 Year	1-3 Years	3-5 years	More then 5 years
Long term debt	$ 6,868,894	$ 3,236,168	$ 531,192	$ 325,459	$ 2,776,075
Capital lease obligations	1,105,858	376,042	535,168	194,648	-
Operating leases	9,899,603	7,236,730	2,662,872	-	-
Other long term obligations	415,117	214,517	141,600	59,000	-
Total contractual obligations	$ 18,289,472	$ 11,063,458	$ 3,870,832	$ 579,107	$ 2,776,075

Excluded from the table above are estimated interest payments on long-term debt and capital lease obligations of approximately $617,000, $799,000, $377,000 and $1,855,000 for the periods less than 1 year, 1-3 years, 3-5 years and more than 5 years, respectively. In addition, excluded from above are unconditional purchase obligations of approximately $5.7 million that the Company entered into subsequent to June 30, 2007.

Additional Factors That May Affect Future Results

Loss on Future Contracts

During the period from July 28, 2006 to August 15, 2006, the Company entered into futures contracts for #2 heating oil to hedge a portion of its forecasted heating season requirements. The Company purchased 40 contracts through a broker for a total of 1,680,000 gallons of #2 heating oil at an average call price of $2.20 per gallon. Due to warmer than average temperatures through the heating season as of March 31, 2007, the Company has experienced a substantial drop in fuel consumption and price, resulting in a loss on these contracts.

Through March 31, 2007, the Company has deposited a total of $923,017 in margin requirements with the broker and has realized a loss of $923,017 on the 40 closed contracts above representing 1,680,000 gallons.

Purchase of Horsham

On December 13, 2006, the Company purchased the assets of its Horsham franchise from Able Oil Montgomery, Inc., a non- related party, for $764,175. Able Oil Montgomery is a full service retail fuel oil and service company located in Horsham, Pennsylvania. Pursuant to the agreement, the Company paid cash at closing of $128,000, issued a 5 year note payable bearing interest at a rate of 7% per annum in the amount of $345,615 and forgave an amount of $290,560 due from the seller to the Company. Separately, the seller paid to the Company $237,359 for monies collected in advance by Able Oil Montgomery from its customers.

Seasonality

The Company's Oil Segment operations are subject to seasonal fluctuations, with a majority of the Oil Segment's business occurring in the late fall and winter months. Approximately 60% to 65% of the Oil Segment's revenues are earned and received from October through March; most of such revenues are derived from the sale of home heating products, primarily #2 home heating oil. However, the seasonality of the Oil Segment's business is offset, in part, by an increase in revenues from the sale of HVAC products and services, diesel and gasoline fuels during the spring and summer months due to the increased use of automobiles and construction apparatus.

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

Over 90% of Able Melbourne's revenues are derived from the sale of diesel fuel for construction vehicles and commercial and recreational sea-going vessels during Florida's fishing season, which begins in April and ends in November. Only a small percentage of Able Melbourne's revenues are derived from the sale of home heating fuel. Most of these sales occur from December through March, Florida's cooler months. Please refer to Note 22 - Subsequent Events, found in the Notes to the Consolidated Financial Statements, for disclosure relating to the February 8, 2008, sale of the assets and liabilities of Able Melbourne.

Seasonal issues have an insignificant impact on the Company's Travel Plaza Segment. While leisure travel has a tendency to moderate somewhat in the winter months in the geographic areas in which we operate, revenue related to the leisure traveler is relatively insignificant compared to fuel and services related revenue generated by our professional driving customers.

Future Operating Results

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

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

During the period from July 28, 2006 to August 15, 2006, the Company's PriceEnergy subsidiary entered into futures contracts for #2 heating oil to hedge a portion of its forecasted heating season requirements. The Company purchased 40 contracts through a broker for a total of 1,680,000 gallons of #2 heating oil at an average call price of $2.20 per gallon. Due to warmer than average temperatures through the heating season, as of June 30, 2007, the Company has experienced a substantial drop in fuel consumption and price, resulting in a loss on these contracts.

Through June 30, 2007, the Company's PriceEnergy subsidiary deposited a total of $923,017 in margin requirements with the broker and has realized a loss of $923,017 on 40 closed contracts representing 1,680,000 gallons.

The Company is obligated to purchase # 2 Heating Oil under various contracts with its suppliers. As of June 30, 2007, total open commitments under these contracts were approximately $5.7 million and expire on various dates through the end of August 2008.

Exchange Rate, Interest Rate and Supply Risks

The Company has no exchange rate risks as we conduct 100% of our operations in the United States of America, and we conduct our transactions in US dollars. The Company is exposed to extensive market risk in the areas of fuel cost, availability and related financing and interest cost. Please refer to Item 1A, Risk Factors for additional disclosure about risk. Increases in our borrowing rates, as small as 100 basis points, could significantly increase our losses and hinder our ability to purchase our fuels for resale. The slightest disruption in the fuel supply chain could also significantly increase our losses and hinder our ability to purchase our fuels for resale. The Company has no protection against interest rate risk or supply disruptions. Other than the above noted futures contracts, the Company does not engage in any other sort of hedging activity and holds no investments securities at June 30, 2007.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet financing arrangements.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements and the related notes thereto called for by this item appear under the caption "Consolidated Financial Statements" beginning on page F-1 attached hereto of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

On August 13, 2007, the Company dismissed Marcum & Kliegman, LLP as its independent registered public accounting firm. The report of Marcum & Kliegman, LLP on the Company's financial statements for the fiscal year ended June 30, 2006 ("FY 2006") was modified as to uncertainty regarding (1) the Company's ability to continue as a going concern as a result of, among other factors, a working capital deficiency as of June 30, 2006 and possible failure to meet its short and long-term liquidity needs, and (2) the impact on the Company's financial statements as a result of a pending investigation by the SEC of possible federal securities law violations with respect to the offer, purchase and sale of the Company's securities and the Company's disclosures or failures to disclose material information.

The Company's Audit Committee unanimously recommended and approved the decision to change independent registered public accounting firms.

In connection with the audit of the Company's financial statements for FY 2006, and through August 13, 2007, there have been no disagreements with Marcum & Kliegman, LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Marcum & Kliegman, LLP would have caused it to make reference to the subject matter of such disagreements in connection with its audit report. There were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K. On August 24, 2007, Marcum & Kliegman, LLP sent a responsive letter to the Current Report on Form 8-K dated August 13, 2007, filed by the Company, which discussed the Company's termination of Marcum and Kliegman, LLP as its auditors. This responsive letter claimed that there were two reportable events. The Company filed an amended Form 8-K Report acknowledging one reportable event that Marcum and Kliegman, LLP had advised the Company of material weaknesses in the Company's internal controls over financial reporting. The Company added disclosure in the Amended 8-K to reflect this reportable event. This reportable event occurred in conjunction with Marcum & Kliegman's audit of the consolidated financial statements for the year ended June 30, 2006 and not, as stated in the Auditor's Letter, in conjunction with Marcum & Kliegman's "subsequent reviews of the Company's condensed consolidated financial statements for the quarterly periods ended September 30, 2006 and December 31, 2006." In June 2007, when Marcum & Kliegman began its review of the Company quarterly financial statements for the periods ended September 30, 2006 and December 31, 2006, the Company had already disclosed the material weakness in its internal controls over financial reporting in the Company's Annual Report on Form 10-K for the year ended June 30, 2006 (filed on April 12, 2007). Further, no such advice of these material weaknesses over internal controls was discussed, in writing or orally, with the Company by representatives of Marcum & Kliegman during the review of such quarterly financial statements.

Subsequent to their dismissal, the Company and its Chief Executive Officer ("CEO") filed an action in New York state court against Marcum & Kliegman, LLP. See, Note 22 - Subsequent Events - Litigation found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

The Company engaged Lazar Levine & Felix, LLP ("LLF") as its new independent registered public accounting firm as of September 21, 2007. Prior to its engagement, LLF had been serving as independent auditors for Properties, an affiliate and the largest stockholder of the Company. Please refer to Note 22 – Subsequent Events found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation of the Company's disclosure controls and procedures (as defined in Section13a-15(e) of the Securities Exchange Act of 1934 (the "Act")) was carried out under the supervision and with the participation of the Company's Chief Executive Officer and Acting Chief Financial Officer and several other members of the Company's senior management at June 30, 2007. Based on this evaluation, and as noted below, the Company's Chief Executive Officer and Acting Chief Financial Officer concluded that as of June 30, 2007, the Company's disclosure controls and procedures were not effective, for the reasons discussed below, at a reasonable level of assurance, in ensuring that the information required to be disclosed by the Company in the Reports it files or submits under the Act is (i) accumulated and communicated to the Company's management (including the Chief Executive Officer and Acting Chief Financial Officer) in a timely manner, and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company identified a weakness during the preparation of the June 30, 2006 Form 10-K. The weakness related to the Company's loss of its then Chief Financial Officer and the appointment of an Acting Chief Financial Officer. As a result of the SEC's Formal Order of Private Investigation and the subpoenas issued in connection therewith and the change of the Company's auditors, the Company became delinquent in filing its SEC reports. During the preparation of the June 30, 2006 Form 10-K and during the twelve months ended June 30, 2007, the Company retained independent consultants with experience in public company disclosure requirements to assist the Chief Executive Officer and the acting Chief Financial Officer in their respective duties during the review, preparation and disclosures required in SEC rules and regulations.

Changes in Disclosure Controls and Procedures

A new Chief Financial Officer was appointed as of September 24, 2007, and the Company continues to engage independent consultants with experience in public company disclosure requirements to assist such officers in their respective duties during the review, preparation and disclosures required in SEC rules and regulations. The Company believes that its appointment of its new Chief Financial Officer, along with the continued retention of independent consultants, will result in its disclosure controls and procedures being sufficiently effective to insure that the Company will become compliant with its SEC reporting requirements.

Item 9B. Other Information

This 2007 Annual Report on Form 10-K, our June 30, 2008 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q for the quarters ended September 30, 2007, December 31, 2007 and March 31, 2008 will be filed beyond the applicable filing deadlines.

ABLE ENERGY, INC. AND SUBSIDIARIES
Consolidated Financial Statements

For the Years Ended
June 30, 2007 and 2006

	Page
Report of Independent Registered Public Accounting Firm - Lazar Levine & Felix, LLP	F-2
Report of Independent Registered Public Accounting Firm - Marcum & Kliegman, LLP	F-3
Report of Independent Registered Public Accounting Firm – Simontacchi & Company, LLP	F-4
Consolidated Balance Sheets as of June 30, 2007 and 2006	F-5
Consolidated Statements of Operations for the Years Ended June 30, 2007, 2006 and 2005	F-6
Consolidated Statements of Stockholders' Equity for the Years Ended June 30, 2007, 2006 and 2005	F-7
Consolidated Statements of Cash Flows for the Years Ended June 30, 2007, 2006 and 2005	F-8 - F-9
Notes to Consolidated Financial Statements	F-10 - F-56

Lazar Levine & Felix LLP
CERTIFIED PUBLIC ACCOUNTANT & BUSINESS CONSULTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Able Energy, Inc and Subsidiaries
Rockaway, New Jersey

We have audited the accompanying consolidated balance sheet of Able Energy, Inc. and Subsidiaries (the "Company") as of June 30, 2007 and the related consolidated statements of operations, stockholders' equity, and cash flows for the year ended June 30, 2007. We have also audited the financial statement schedule listed in the accompanying index. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit. The June 30, 2006 financial statements were audited by other auditors whose report dated April 4, 2007, on those statements included explanatory paragraphs describing conditions that raised substantial doubt about the Company's ability to continue as a going concern and potential financial statement adjustments that might result from the outcome of a Formal Order of Private Investigation from the Securities and Exchange Commission ("SEC").

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and financial statement schedule are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial statement schedule, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2007 and the results of its operations and its cash flows for the year ended June 30, 2007, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has incurred losses from continuing operations of approximately $6,632,000, $6,242,000 and $2,180,000 during the years ended June 30, 2007, 2006 and 2005, respectively, resulting in an accumulated deficit of $17,671,264 at June 30, 2007. In addition, the Company has used cash from operations of approximately $1,272,000 for the year ended June 30, 2007 and has a working capital deficiency of approximately $3,625,000 at June 30, 2007. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 1 to the consolidated financial statements, Marcum & Kliegman ("M&K") was the Company's predecessor independent registered public accounting firm for fiscal 2006. M&K has not consented to reissue its report dated April 4, 2007 included with the Company's June 30, 2006 Annual Report on Form, 10-K filed with the

SEC on April 12, 2007. Accordingly, the consolidated balance sheet as of June 30, 2006 and the related consolidated statements of operations, stockholders' equity and cash flows for the year ended June 30, 2006 contained in the accompanying consolidated financial statements and footnotes are not covered by a report of an independent registered public accounting firm report as required by the standards of the Public Company Accounting Oversight Board (United States) and the rules and regulations of the SEC.

LAZAR LEVINE & FELIX LLP
Morristown, New Jersey
October 16, 2008

F-2

REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Able Energy, Inc. and Subsidiaries

Report of Independent Registered Public Accounting Firm - Marcum & Kliegman, LLP

Please refer to Explanatory Note at page 3 of this Annual Report and Note 1 - Nature of Operations to these Consolidated Financial Statements regarding the Report of Marcum & Kliegman for the fiscal year ended June 30, 2007.

SIMONTACCHI & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

170 E. MAIN STREET
ROCKAWAY, NEW JERSEY 07866

TEL: (973) 664-1140
FAX: (973) 664-1145

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 the related consolidated statements of operations, Stockholders' equity, and cash flows for the year ended June 30, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Able Energy, Inc. and subsidiaries as of June 30, 2005, and the results of their operations and their cash flows for the year 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

MEMBER, AMERICAN INSTITUTE OR CERTIFIED PUBLIC ACCOUNTANTS

ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	JUNE 30, 2007 (audited)	*2006
ASSETS		
Current Assets:		
Cash and cash equvalents	$ 3,034,183	$ 2,144,729
Accounts receivable, net of allowance for doubtful accounts of $744,253 and $462,086, at June 30, 2007 and 2006, respectively	5,648,996	3,414,894
Advances to related party	8,374,496	-
Inventories	4,191,790	675,987
Notes receivable-current portion	725,000	400,579
Prepaid expenses and other current assets	1,169,175	528,788
Total Current Assets	23,143,640	7,164,977
Property and equipment, net	7,603,263	4,414,051
Notes receivable-less current portion	-	725,000
Goodwill	11,139,542	-
Intangible assets, net	5,970,303	326,658
Deferred financing costs, net	225,430	150,264
Prepaid acquisition costs	-	225,000
Security deposits	79,918	84,918
Total Assets	$ 48,162,096	$ 13,090,868
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Line of credit	$ 481,602	$ 1,231,640
Notes payable, current portion	3,236,168	76,181
Capital leases payable, current portion	376,042	314,145
Convertible debentures and notes payable, net of unamortized debt discounts of $1,784,233 and $70,368 as of June 30, 2007 and 2006, respectively	1,348,267	62,132
Accounts payable and accrued expenses	17,711,401	2,298,937
Customer pre-purchase payments and unearned revenue	3,615,087	3,614,259
Total Current Liabilities	26,768,567	7,597,294
Notes payable, less current portion	3,632,726	3,176,175
Capital leases payable, less current portion	729,816	645,313
Total Long-Term Liabilities	4,362,542	3,821,488
Total Liabilities	31,131,109	11,418,782
COMMITMENTS AND CONTINGENCIES		
Stockholders' Equity:		
Preferred stock; par value $.001, authorized 10,000,000 shares; issued-none	-	-
Common stock; $.001 par value; 75,000,000 and 10,000,000 shares		

authorized at June 30, 2007 and 2006, respectively;		
14,950,947 and 3,128,923 shares issued and outstanding		
at June 30, 2007 and 2006, respectively	14,951	3,129
Additional paid in capital	37,840,498	14,812,723
Accumulated deficit	(17,671,264)	(11,038,961)
Notes and loans receivable-related parties	(3,153,198)	(2,104,805)
Total Stockholders' Equity	17,030,987	1,672,086
Total Liabilities and Stockholders' Equity	$ 48,162,096	$ 13,090,868

* June 30, 2006 not covered by a report of an independent registered public accounting firm - See Note 1.

See accompanying notes to the consolidated financial statements

F-5

ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended June 30,:			
	2007 (audited)		*2006	2005 (audited)
Net Sales	$ 93,641,548	$	75,093,104	$ 61,872,623
Cost of Sales (exclusive of depreciation and amortization shown separately below)	85,103,534		67,625,209	55,722,153
Gross Profit	8,538,014		7,467,895	6,150,470
Operating Expenses:				
Selling, general and administrative	11,805,324	&#1		