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, 2008

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 o	Accelerated Filer o
Non-Accelerated Filer o (Do not check if s smaller reporting company)	Smaller reporting company x

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 $2.7 million on December 31, 2007, 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 November 14, 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, 2008 and 2007

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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, 2008, the Company's total revenues were $276.4 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, 2008, the Oil Segment accounted for $74.5 million of the Company's net revenues. On February 8, 2008, the Company sold the assets and liabilities of Able Melbourne to a former employee of Able Melbourne. Please refer to Able Melbourne below for further disclosure relating to this sale. Please refer to Note 21 - Subsequent Events, found in the Notes to the Consolidated Financial Statements, for disclosure relating to the July 22, 2008 sale of 49% of the common stock of Able NY and the sale of a portion of the Company's Oil Segment operations in Easton and Horsham PA ("Able PA") and the subsequent right 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 year ended June 30, 2008, the Travel Plaza Segment accounted for $201.9 million of the Company's net revenues.

Oil Segment

During the year ended June 30, 2008, sales of heating oil accounted for approximately 73% of the Oil Segment's net revenues. The remaining 27% 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 33 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 63% and 69% of the Oil Segment's total revenues for the years ended June 30, 2008 and 2007, respectively. 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 33 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. Please refer to Note 21 - Subsequent Events, found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report for disclosure regarding the Company's lease of the Newton facility. 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 21 - Subsequent Events, found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report, 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 by the Company.

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, 2008, revenues from Able Melbourne accounted for approximately 5% 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 demands. 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 revenues.

On February 8, 2008 (the “Closing Date”), the Company and Able Melbourne executed an Asset Purchase Agreement (“APA”) with Able Oil of Brevard, Inc. (“Able Brevard”), a Florida corporation, owned by a former employee of Able Melbourne. For consideration in the amount of $375,000, the APA provided for the sale to Able Brevard of all of the tangible and intangible assets (excluding corporate books and records), liabilities and lease obligations of Able Melbourne, as is, on the Closing Date. As a result of this transaction, the Company recorded a loss on the sale in the amount of $121,634, of which $40,000 was accrued to expense in the year ended June 30, 2007 and the balance of $81,634 was charged to expense in the year ended June 30, 2008.

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 21 - Subsequent Events, found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report, 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 stock in Able NY.

PriceEnergy

PriceEnergy started business in October 2000, and as of June 30, 2008 was a 67.3% owned subsidiary of Able. On September 22, 2008, the Company's ownership interest in PriceEnergy was increased to 92%. See, Note 21 - Subsequent Events to 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 5.8 million gallons of #2 home heating oil over the Internet through PriceEnergy.com in the fiscal year ended June 30, 2008.

Travel Plaza Segment

Acquisition of Travel Plaza Assets

On May 30, 2007, the Company 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 the Company 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 or refinance the existing debt with a new loan. 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.

The Company 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 the Company's disinterested stockholders at a special meeting of Able's stockholders held on August 29, 2006.

In addition, the Company 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 the Company'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 the Company's common stock (including the shares held in escrow), or approximately 85.5% of Able's outstanding shares. The closing price of the Company'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 members of the Company'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.

The Travel Plazas Segment's facilities are designed to offer a number of benefits to truck fleet operators and drivers. These benefits generally include well-lit and fenced parking lots to enhance security for drivers, trucks, and freight; spacious parking areas and traffic flow patterns designed to reduce accidents; and fewer stops and out-of-route miles through the use of one-stop, multi-service facilities. The facilities offer separate gas and diesel fueling islands, restaurants, truck preventative maintenance and repair services and travel and convenience stores offering an array of merchandise selected to cater to professional truck drivers' needs during their long periods away from home. Additionally, the Travel Plazas provide amenities such as telephones, fax machines, computers and other communication services, photocopying and postal services. The Travel Plazas also offer certified truck weighing scales, truck washes, laundry facilities, private showers, game, television and movie rooms, and barber shops. Set forth below is information with respect to each of the Travel Plazas operated by the Company's wholly-owned subsidiary, All American Plazas, Inc.

Frystown All American, Pennsylvania

This facility is comprised of a full-service truck stop situated on an approximately 50 acre irregularly shaped site conveniently located on the west side of Route 645, less than 1/4 mile south of exit 10 of Interstate 78. The property is equipped with restaurant/driver amenities (showers, lounge, etc.) and a motel/convenience store facility. The stop was built in 1972. A part metal-and-concrete block five-bay truck repair building and a metal maintenance building are 100% occupied. The improvements encompass approximately 30,000 square feet.

Clarks Ferry All American, Pennsylvania

This facility is comprised of a full-service truck stop situated on an approximately 7.4 acre irregularly shaped site conveniently located on the east side of Benvenue Road (Route 22/322), less than 1/2 mile south of US Route 11 /

15. The property is equipped with a 17,100 square foot truck stop facility that was built in 1990 and is 100% occupied. The improvements include 8,800 square foot one-story (with a basement) restaurant/driver amenities (showers, lounge, etc), convenience store facility, a 2,000 square foot two-story single-family house, a 2,500 square foot two-story 8-unit single room facility, a 2,700 square foot two-story management building, and a 1,100 square foot two-story concrete maintenance building.

Breezewood Petro, Pennsylvania

This facility is comprised of a full-service truck stop situated on an approximately 7.7 acre irregularly shaped site conveniently located just south of Route 30, just east of Interstate 70 and just west of Interstate 76. The property is equipped with a 16,500 square foot truck stop facility that was built in 1963 and is 100% occupied. The improvements include a 14,400 square foot one-story (with a basement) restaurant/driver amenities /convenience store facility, and a 2,100 square foot two-story concrete-block truck repair building. An action has been commenced by the franchisor against Properties and Plazas for an alleged breach of the Petro franchise agreement with respect to this plaza. Plazas believes it has adequate defenses and counterclaims with respect to this action. See, Note 21, Subsequent Events – Litigation, in the notes to the Consolidated Financial Statements in Item 8 of this Annual Report.

Carlisle Gables, Pennsylvania

This facility is comprised of a full-service truck stop situated on an approximately 8.0 acre irregularly shaped site conveniently located off of Interstate 81 (Exit 52) as well as Interstate 76, or the Pennsylvania Turnpike (Exit 16). The site is equipped with a brick 3,500 square foot one-story gasoline station/convenience store and truck wash building that was built in 1987 and is 100% occupied. Effective November 1, 2008, All American Plazas, Inc. ("Plazas") subleased the operation of this plaza to an independent third party for a term of three years. Plazas determined the sublease of this facility would cut its costs, but maintained the right to supply the fuel to this plaza on a cost plus basis which it believes will result in a net profit to the Company. The sublease provides for the purchase of the existing inventory. See, Note 21, Subsequent Events – Sublease of the Plazas, in the notes to the Consolidated Financial Statements in Item 8 of this Annual Report.

Frystown Gables, Pennsylvania

This facility is comprised of a full-service truck stop situated on an approximately 10 acre irregularly shaped site conveniently located on the east side of Route 645, less than 1/4 mile south of Exit 10 of Interstate 78. The property is equipped with a masonry-panel 2,200 square foot one-story gasoline station/convenience store facility including amenities (showers) that was built in 1990 and is 100% occupied. There are approximately an additional 40 acres of industrial/commercial-zoned land located adjacent to this facility that has been approved for subdivision, but no plans are currently in place to develop the land. Effective November 1, 2008, All American Plazas, Inc. subleased the operation of this plaza to an independent third party for a term of three years. Plazas determined the sublease of this facility would cut its costs, but maintained the right to supply the fuel to this plaza on a cost plus basis which it believes will result in a net profit to the Company. The sublease provides for the purchase of the existing inventory and a three month abatement of rent. See, Note 21, Subsequent Events – Sublease of the Plazas, in the notes to the Consolidated Financial Statements in Item 8 of this Annual Report.

Doswell All American, Virginia

The facility is comprised of a full-service truck stop situated on an approximately 54.3 acre irregularly shaped site conveniently located on the northeast quadrant of King's Dominion Boulevard (Route 30) and Interstate 95 (Exit 98), approximately 12 miles north of Richmond, Virginia. Approximately 20 acres of this facility consist of business-zoned land that has been approved for a recreational vehicle park. The property consists of a two-story restaurant, retail, and restaurant/retail/service building, a two-story EconoLodge Motel, and a truck wash and service building built in 1964. The motel is a concrete block structure with 86 rooms, and the truck wash and service building is a concrete block structure with two wash and five service bays. The building area encompasses approximately 81,400 square feet. On May 12, 2008, Plazas entered into a sale agreement with T.S.O., Inc. ("TSO") for the sale of Plaza's assets located at its leased Doswell, VA travel plaza. In exchange for total consideration to Plazas of approximately $0.4 million, Plazas has agreed to transfer to TSO title to all tangible and intangible assets (excluding corporate records) and liabilities relating to the operations of the Doswell, VA travel plaza. Under the sale agreement, TSO had until October 12, 2008 to obtain and deliver a firm commitment letter for the purchase price. By letter dated November 6, 2008, the owner of the real property underlying the Doswell travel plaza sent a notice to TSO terminating the contract of sale. During the period July 12, 2008 through termination of the contract of sale, TSO is obligated to pay the Company rent in the amount of $75,000 per month.

All American Belmont, New York

The facility is comprised of a full-service truck stop situated on an approximately 9.4 acre irregularly shaped site conveniently located off of State Route 17 (Exit 30) and at the intersection of State Route 19 and County Road 20. The site is equipped with a frame one-story gasoline station/convenience store building (amenities not included) as well as two ancillary storage sheds (450 SF and 120 SF). The buildings were built in 1977, renovated in 1999, and are

100% occupied.

All American Carney's Point, New Jersey

This facility is comprised of a full-service truck stop situated on an approximately 11.0 acre irregularly shaped site conveniently located off of Interstate 95 (Exit 1), or the New Jersey Turnpike as well as Interstate-295 (Exit 2). The property is equipped with a masonry one-story gasoline station, convenience store/restaurant building (amenities not included) as well as a truck garage building. The buildings were built in 1970, renovated in 1995, and are 100% occupied. The two buildings have an aggregate area of 9,500 square feet. Properties, the owner of the real property underlying this plaza, sought to refinance the property because the term of the loan with the lender was about to terminate. Properties was unable to refinance due to current economic conditions resulting in the lender obtaining a judgment of foreclosure. However, the parties are continuing to discuss a restructuring of the loan and Plazas is also considering its right of purchase by refinancing the existing loan encumbering the property. To date neither the lender nor Properties has taken any steps to terminate the lease and Plazas continues to operate this plaza.

Harrisburg Gables, Pennsylvania

This facility is comprised of a full-service truck stop situated on an approximately 9.7 acre irregularly shaped site conveniently located on the north side of Linglestown Road (Route 39), approximately 1/4 mile east of Exit 27 off of Interstate 81 in Harrisburg. The property is equipped with a brick 4,300 square foot one-story gasoline station/convenience store (amenities not included) and Subway franchise that was built in 1991 and is 100% occupied. Effective November 1, 2008, All American Plazas, Inc. ("Plazas") subleased the operation of this plaza to an independent third party for a term of three years. Plazas determined the sublease of this facility would cut its costs, but maintained the right to supply the fuel to this plaza on a cost plus basis which it believes will result in a net profit to the Company. The sublease provides for the purchase of the existing inventory. See, Note 21, Subsequent Events - Sublease of the Plazas, in the notes to the Consolidated Financial Statements in Item 8 of this Annual Report.

Milton Petro, Pennsylvania

This facility is comprised of a full-service truck stop situated on an approximately 71.9 acre irregularly shaped site conveniently located on the south side of Route 254, less than 1/4 mile west of Exit 215 of Interstate 80 in Milton. The property is equipped with concrete-block truck stop facilities encompassing 37,000 square feet. These facilities were built in 1992, are 100% occupied and include a 275-seat restaurant, a travel/convenience store, a driver's lounge, a truck wash, showers, scales, and a 5-bay truck repair shop. Separate actions have been commenced against Properties and Plazas by the holder of the mortgage of the real property underlying the plaza. In addition, an action has been commenced by the franchisor against Properties and Plazas for an alleged breach of the Petro franchise agreement with respect to this plaza. Plazas believe it has adequate defenses and counterclaims with respect to these actions. See, Note 21, Subsequent Events – Litigation, to the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report.

All American Plazas at Strattanville

This facility is comprised of a full-service truck stop situated on an approximately 63.9 acre irregularly shaped site conveniently located on the north side of Route 322, less than a 1/4 mile south of exit 70 of Interstate 80 in Strattanville. Approximately 35 acres of this site is considered excess land. The property is equipped with a masonry-panel 16,650 square foot two-story multi-purpose rest area, amenities (showers) and a 5,925 square foot garage facility. The Company determined in April 2008 to close this plaza since it was experiencing substantial, continuing losses. The Company is presently considering reopening the facility, but limiting its operations to the sale of gasoline and the convenience store and restaurant located on the premises.

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, 2008, this note and related interest was paid in-full. The interest income related to this note for the years ended June 30, 2008 and 2007 was $152,721 and $164,350, respectively.

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".

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. The Company and Laurus are in discussions to modify the term of the loan.

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 as well as weather conditions, especially regarding the sale of heating oil.

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. Based upon current economic conditions, the Company anticipates certain of its customers to experience credit problems which may have an unfavorable effect on the Company's sales.

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. Based upon current economic conditions, the Travel Plaza Segment has and continues to experience an approximate 35% reduction in over the road truck traffic, which negatively impacts the Travel Plaza Segment sales of fuel and merchandise.

Product Lines

The Travel Plaza Segment accounted for $201.9 million of the Company's revenue for the year ended June 30, 2008. Of this amount, approximately 86% 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 2008, sales of #2 heating oil accounted for approximately 73% of the Oil Segment's revenues. The remaining 27% 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.

Research and Development

During the past two fiscal years ending June 30, 2008, the Company has not engaged in any research and development activities.

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, 2008, 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 regulation for the Travel Plaza Segment generally falls into four primary categories: (a) sewage treatment plants; (b) storm water and spill runoff control; (c) tanks and lines used for delivery of petroleum products; and (d) waste product disposal. The Travel Plaza Segment owns and operates three on-site sewage treatment plants at its Pennsylvania locations - Frystown, Milton, and Clarks Ferry. All three plants must be monitored and maintained daily by licensed operators. The Travel Plaza Segment does have some employees who are licensed operators but has also engaged the services of an outside company that specializes in the operation of treatment plants. They collect effluent samples, handle all reports that are submitted monthly to the state and procure any permits as required. The plants must all comply with strict standards of structural integrity and effluent concentrations, as they all discharge directly to streams and rivers. Storm water and spill control is critical, especially at those locations that are adjacent to waterways.

The State of Pennsylvania maintains an active Underground Storage Tank Indemnification Fund ("USTIF"). The Travel Plaza Segment pays money into the USTIF based on tank capacity for diesel fuel and actual gallons of gasoline purchased. The Travel Plaza Segment must also abide by guidelines relating to the disposal of waste products. All battery cores are taken back by their original suppliers. Tire casings are collected in trailers and hauled away by a certified recycler, and all oil filters are crushed and drained prior to disposal. Waste oil is either burned in our own heating systems or sold to a certified recycler.

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.

The Travel Plaza Segment is subject to various governmental regulations. These include the collection and payment of taxes, complying with government standards, and maintaining various government permits and licenses. All fuel island equipment must follow the standards set forth by the Bureau of Weights & Measures. The bureau inspects and tests fuel equipment twice annually. Fuel islands must also have adequate cut-off switches and systems in the event of an accidental spill or fire. The scales at each location are tested annually. Each scale operator must have a public weighmaster license, which is issued by the Bureau of Standard Weights. Most of the locations have eating establishments that must follow regulations set forth by the applicable state, as well as the posting of a license issued annually by the Department of Agriculture. Inspections of the Travel Plaza Segment's restaurants are performed by the respective states to verify compliance with restaurant standards for food storage and preparation. Fire suppression systems are also required in all cooking areas and are subject to periodic inspection. Each retail store is required to post a Cigarette Dealer license (or similar license). In Pennsylvania, this is issued by the Department of Revenue Bureau of Business Trust Fund. In Pennsylvania, the Department of Health issues a certificate of registration, which is required to conduct and maintain a facility in accordance with the provisions of the Controlled Substance, Drug, Device and Cosmetic Act #64, approved September 9, 1972. The Travel Plaza Segment is also subject to various standard taxes. These taxes include federal and state corporate taxes, sales tax, payroll tax, tire recycling fees and occupancy taxes. The Travel Plaza Segment also collects motor fuel taxes from customers. These motor fuel taxes are withheld by our suppliers upon our purchase of fuel and the supplier files and pays the motor fuel taxes. The Travel Plaza Segment does not directly file motor fuel tax returns for gasoline or diesel in Pennsylvania, but does do so in New Jersey. All "Pressure Vessels" in Pennsylvania are regulated by the Bureau of Occupational and Industrial Safety, which is part of the Pennsylvania Department of Labor and Industry. Pressure vessels include boilers that can be a component of a location's hot water and/or heating system, and also all air compressors. Air compressors are used in our truck repair facilities, and could also be part of a location's water delivery or HVAC systems. They must be registered with the state and are inspected annually.

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, 2008, the Company's full-time employment totaled 501 individuals.

As of June 30, 2008, the Oil Segment's full-time employment totaled 70 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, 2008, the Travel Plaza Segment's full-time employment totaled 431 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 that the Company has elected to disclose, although not required to do so because we are a Smaller Reporting Company as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended.

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, 2008 and 2007 of approximately, $12.9 million and $6.6 million, resulting in an accumulated deficit balance of approximately $30.6 million as of June 30, 2008. At June 30, 2008, we had $3.0 million in cash and cash equivalents and a working capital deficiency of $12.9 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 on our consolidated financial statements as of June 30, 2008 and for the year then ended contains explanatory paragraphs stating that there is substantial doubt as to our ability to continue as a going concern and to indicate that the June 30, 2006 auditors did not consent to reissue its report in the filing of the June 30, 2007 Annual Report on Form 10-K. 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 seven fiscal years. For the year ended June 30, 2008, we had a loss of approximately $12.9 million. We also expect to incur a loss for the fiscal year ending June 30, 2009.

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, 2008, we had long-term liabilities of $3.9 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, 2008, was $12.9 million, including non-cash charges totaling approximately $3.8 million. The Company has been funding its operations through financing its receivables and credit card receivables, 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 2009 fiscal year.

As of June 30, 2008, the Company had a cash balance of approximately $3.0 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 attempting to expand the customer base of its Oil Segment and 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, 2008 and 2007 of $12.9 and $6.6 million, respectively. Net cash used in operations during the years ended June 30, 2008 and 2007 was $3.6 million and $1.3 million, respectively. At June 30, 2008, the Company has a working capital deficiency of $12.9 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, 2009. 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 $2.4 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, 2008 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.

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, 2008 Annual Report on Form 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 on a timely basis. The late filing of this document may adversely affect our ability to raise capital and erode investor confidence. The Company will continue to make every effort to keep 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. We monitor the market each day and determine when to purchase our oil inventory and from whom.

During the year ended June 30, 2008, eleven suppliers (Sunoco, Hess, Sprague Energy, Catamount Petroleum, Petrocom Energy, Petron Oil Corp., Gulf Oil Corporation, Royal North Jersey Oil, Farm & Home Oil Company, Burke Petroleum, and Valero Supply and Marketing) provided Able Oil and Able NY with approximately 89 % of its heating oil requirements.

TransMontaigne Product Services, Inc. provided Able Melbourne with 100% of its diesel fuel product requirements for the year ended June 30, 2008 and Fleetwing provided Able Melbourne with all of its lubricant and related product requirements for the year ended June 30, 2008.

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 and Nocito 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.

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 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. Through June 30, 2007, the Company realized a loss, including fees, of $926,170 on 40 closed contracts representing 1,680,000 gallons. The Company entered into no futures contracts in fiscal 2008.

Risks Particular to the Travel Plaza Segment

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

During the year ended June 30, 2008, net revenues from fuel sales of the Travel Plaza Segment accounted for approximately 65% of the Company's 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 Travel Plaza Segment 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 travel 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

Not applicable.

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 expired on October 31, 2007 and carries an annual rent of $122,287, which includes common area charges. We continue to occupy the space on a month-to-month basis. 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 21 - Subsequent Events found in the notes to the Consolidated Financial Statements in Item 8 of this Annual Report for disclosure relating to the lease of the Newton facility.

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 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.
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)

See, Item 1- Business – Travel Plaza Operations, for a more detailed description of these plazas.

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 or refinance the existing debt with new loans with the Company as to mortgagor. 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, 2008, the Company was 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.

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 its responses to the eleven questions in its 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 the 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.

On October 1, 2007, the Company and its Chief Executive Officer (“CEO”) filed an action in New York state court against Marcum & Kliegman, LLP (the Company’s former auditors) and several of its partners for numerous claims, including breach of contract, gross negligence and defamation. The Company and its CEO are seeking compensatory damages in the amount of at least $1 million and punitive damages of at least $20 million. The claims asserted by the Company and its CEO arise out of Marcum & Kliegman's conduct with respect to the preparation and filing of the Company's SEC Reports. On November 26, 2007, Marcum & Kliegman and its partners filed a motion to dismiss the complaint on the ground that it fails to state a claim for relief as a matter of law. On May 5, 2008, the Court issued a written decision and order sustaining the Company's claims against Marcum & Kliegman for breach of contract and defamation, but dismissed the Company's claims for negligence, gross negligence, breach of fiduciary duty and breach of covenant of good faith and fair dealing against Marcum & Kliegman and the defamation claim against the individual defendants. Both the Company and Marcum & Kliegman have filed appeals from the decision and order. Discovery proceedings have commenced and the Company intends to vigorously prosecute this action.

On January 7, 2008, the Company, its Chief Executive Officer, Gregory D. Frost, and its Vice-President of Business Development, Frank Nocito, were served with a summons and complaint in a purported class action complaint filed in the United States District Court, District of New Jersey. This action, which seeks class certification, was brought by shareholders of CCI Group, Inc. ("CCIG"). The complaint relates to a Share Exchange Agreement (the "Share Exchange Agreement"), dated July 7, 2006, between Properties and CCIG, pursuant to which seventy percent (70%) of the outstanding and issued shares of CCIG were exchanged for 618,557 shares of the Company's common stock which were owned by Properties of which 250,378 shares were to be distributed to the shareholders of CCIG and the balance of the shares were to be used to pay debts of CCIG. Neither the Company nor Messrs. Frost or Nocito were parties to the Share Exchange Agreement. Properties remain the largest shareholder of the Company. The Share Exchange Agreement was previously disclosed by the Company in its Current Report on Form 8-K filed with the SEC on July 7, 2006 as part of a disclosure of a loan by the Company to Properties.

Each of the Company and Messrs. Frost and Nocito believes it/he has defenses against the alleged claims and intends to vigorously defend itself/himself against this action and have filed a motion to dismiss the compliant. The motion has been fully briefed and submitted to the Court. As of the date of this Report, no decision has been issued with respect to the motion.

See, Note 21 – 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 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

(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 January 11, 2008, the Company executed a consulting agreement with Hammond Associates, LLC to provide consulting services in connection with satisfying the Company's SEC reporting requirements. On April 30, 2008, the Company issued 14,442 restricted shares of its common stock, $0.001 par value, at $0.56 per share as partial consideration for services provided by the consultant. The Company recorded consulting expense of $8,088 related to this share issuance in the year ended June 30, 2008. On April 16, 2008, the Company also issued Hammond Associates, LLC a five-year warrant to purchase 25,000 shares at $0.56 per share as partial consideration for services provided by the consultant. Using the Black Scholes valuation model, the Company valued the Company's common stock underlying the warrant at $0.31 per share and recorded additional consulting expense of $7,750 relating to the issuance of the warrant. One sixth of the hourly fee paid to the consultant is payable by the Company in shares of the Company's common stock, based on the per share market value of the Company's common stock on the trading day preceding issuance of the shares. Shares are issued from time-to-time in satisfaction of the Company's obligation to the consultant.

No other unregistered equity securities were sold or issued by the Company during Fiscal 2008.

(e) Purchases of Equity Securities by the Company and Affiliated Purchasers

Neither the Company nor any of its affiliates repurchased any of the Company's equity securities during Fiscal 2008.

Comparison of Cumulative Total Returns

The following table shows a comparison of cumulative total returns on the common stock of the Company from June 30, 2003 through June 30, 2008 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").

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,				
	2008	2007	2006	2005	2004
Results of Operation Data-Continuing Operations				(1)	(1)(2)
Sales	$ 276,440,588	$ 93,641,548	$ 75,093,104	$ 61,872,623	$ 42,847,123
Gross Profit	17,582,654	8,538,014	7,467,895	6,150,470	5,579,654
Operating Loss	(9,749,034)	(4,007,513)	(2,857,627)	(1,928,309)	(2,310,863)
Net Loss	(12,913,233)	(6,632,303)	(6,241,559)	(2,180,091)	(1,732,959)
Depreciation and Amortization	1,888,906	740,203	755,700	1,225,197	1,194,958
Interest Expense	2,213,955	949,016	642,517	449,776	576,578
Basic and Diluted Loss Per Share - Continuing Operations	(0.86)	(1.60)	(2.23)	(1.04)	(0.86)
Basic and Diluted Weighted Average Number of Shares Outstanding	14,953,440	4,133,090	2,800,476	2,094,629	2,013,250
Consolidated Balance Sheet Data					
Cash	$ 3,025,577	$ 3,034,183	$ 2,144,729	$ 1,754,318	$ 1,309,848
Current Assets	11,514,927	23,143,640	7,164,977	6,100,464	5,531,423
Current Liabilities	24,423,978	26,768,567	7,597,294	6,853,089	5,500,095
Total Assets	34,742,998	48,162,096	13,090,868	12,433,858	12,229,536
Long-Term Liabilities	3,937,230	4,362,542	3,821,488	3,966,041	3,724,692
Total Stockholders’ Equity	6,381,790	17,030,987	1,672,086	1,614,728	3,095,927

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 and 2004 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 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. Price Energy, 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, All American Plazas, Inc., was formed to operate eleven travel plazas acquired in connection with the Company's business combination with All American Properties, Inc. (formerly known as All American Plazas, 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, 2008. 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.

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 has not had 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. Adoption is effective after the beginning of the first fiscal year that begins after September 15, 2006. The application of this statement has not had a material 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 application of this statement has not had a material impact on the Company's 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. This statement does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and all interim periods within those fiscal years. In February 2008, the FASB released FASB Staff Position (FSP FAS 157-2 – Effective Date of FASB Statement No. 157) which delays the effective date of SFAS No. 157 for all non-financial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years. The Company is currently evaluating the impact of adoption of this statement on its financial and nonfinancial assets and liabilities.

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 application of this statement has not had a material impact on the Company's consolidated financial statements.

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 2008 Compared to Fiscal 2007

During the year ended June 30, 2008, the Company's total revenues from its Oil and Travel Plaza Segments were $276.4 million. The $182.8 million increase in revenue over the same period last year is predominately the result of the business combination with Properties on May 30, 2007.

Oil Segment

Net sales were $74.6 million for the year ended June 30, 2008 compared to $74.1 million in the same period last year, an increase of $0.5 million, or 0.7%. This increase was primarily due to an increase in #2 Heating Oil sales of 5.41%, partially offset by a decrease in other fuel sales of 9.6%.

Gross profit decreased approximately $0.7 million to $6.8 million and gross profit margin percent for the year ended June 30, 2008 decreased to 9.0% from 10.0% last year. The drop in gross profit was primarily attributable to a decrease in #2 heating oil gross profit margin percent of approximately 4.9% points due primarily to out of product situations with some of our vendors and having to purchase product from more expensive suppliers during times of extreme product price volatility. This was mitigated to some extent by our gross margin on all other fuel and service products.

Selling, general and administrative expense for the year ended June 30, 2008 decreased by $2.7 million to $7.4 million, or 26.7%, compared to the same period in the prior year. This is predominately related to a decrease in the Oil Segment audit and legal fees and reductions in staff.

Total other expenses increased to a net expense of $2.9 million in the year ended June 30, 2008 from $2.6 million last year.

As a result of the above noted performance for the year ended June 30, 2008, net loss improved approximately $1.6 million or 27.2%, to a net loss of $4.4 million.

Travel Plaza Segment

Net sales for the year ended June 30, 2008 were $201.9 million, reflecting our first full year of consolidated reporting of the Travel Plaza Segment, acquired May 30, 2007.

Gross profit for the year ended June 30, 2008 was $10.8 million.

Selling, general and administrative expense for the year ended June 30, 2008 was approximately $17.9 million.

Total other income for the year ended June 30, 2008 was approximately $5,000.

Net loss of the Travel Plaza Segment was $8.5 million for the year ended June 30, 2008.

No comparable information for the Travel Plaza Segment exists for the prior fiscal period since the business combination with Properties was not closed until May 30, 2007 and therefore, the Company was engaged in the travel plaza business for only one month during that period.

Depreciation and Amortization

Depreciation and amortization expense increased from $0.7 million in fiscal 2007 to $1.9 million in fiscal 2008. The increase was primarily due to $0.5 million in first year amortization of the Company’s option to purchase real estate and $0.6 million relating to the first full year consolidation of operating results for the Travel Plaza Segment.

Liquidity and Capital Resources

We incurred a net loss of $12.9 million and used cash in operations of $3.6 million for the twelve month period ended June 30, 2008. Our principal sources of working capital have been the proceeds from borrowing against the Company’s receivables and credit card sales. During the three month period ended June 30, 2008, the Company issued $0.8 million in notes payable. During the twelve month period ended June 30, 2008, the Company secured $7.2 million from the proceeds of notes payable. Other than for the day–to-day operations of the Company, nothing was expended for advances to related parties and $6.5 million was expended for repayment of notes payable during the twelve month period ended June 30, 2008.

We had a working capital deficiency of $12.9 million at June 30, 2008 compared to a working capital deficiency of $3.6 million at June 30, 2007. The working capital decrease of $9.3 million was primarily due to decreases in accounts receivable, inventories and advances to related parties, partially offset by a decrease in accounts payable.

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.

On May 13, 2005, the Company entered into a $1,750,000 line-of-credit agreement (the “Agreement”) with Entrepreneur Growth Capital, LLC (“EGC”). The loan is secured by certain eligible accounts receivable, inventory and certain other assets as defined in the agreement. The line bears interest at Citibank's prime rate, plus 4% per annum (9.0% at June 30, 2008 and 12.25% at June 30, 2007) not to exceed 24%, with a minimum interest of $9,000 per month. The line also requires an annual facility fee and monthly collateral management fees equal to 2% and 0.025%, respectively. In addition, deposits are not credited to our account until four business days after receipt by EGC. On December 27, 2007 and February 11, 2008 the Company received an Over Advance each in the amount of $250,000 on its line of credit with EGC. Terms on the over advance were thirty days. On December 28, 2007 and February 25, 2008, the Company increased an existing credit line by executing a Fuel Purchase Loan (“FPL”) agreement with EGC. The increase, in the amount of $0.5 million, is a further extension of credit under an existing May 13, 2005 agreement between the Company and EGC (the "Loan Agreement") (See Note 10). In addition to the general terms of the Loan Agreement, under the repayment terms of the FPL, EGC will reduce the loan amount outstanding by applying specific amounts from the Company's availability under the Loan Agreement. These amounts start at $2,500 per business day, commencing March 1, 2008, gradually increasing to $10,000 per business day on June 1, 2008 and thereafter until the FPL is paid in full. In further consideration for making the FPL, commencing February 22, 2008, EGC shall be entitled to receive a revenue share of four cents ($0.04) per gallon of fuel purchased with the FPL funds, subject to a $5,000 per week minimum during the first seven weeks of the program. The balance due as of June 30, 2008 and June 30, 2007 was $979,818 and $481,602, respectively, with an available balance as of June 30, 2008 of $770,182. The Agreement renews annually unless terminated by either party, as provided for in the Agreement.

On January 8, 2007, Plazas entered into an Account Purchase Agreement with Crown Financial ("Crown") whereby Crown advanced $1,444,775 to Plazas in exchange for certain existing accounts receivables and taking ownership of new accounts originated by Plazas. Repayment of the loan is to be made from the direct payments to Crown from the accounts it purchased from Plazas and a fee equal to 2.5% of the outstanding advance for the preceding period payable on the 15th and 30th day of each month. The Crown loan is secured by the mortgages on the real property and improvements thereon owned by Properties known as the Strattanville and Frystown Gables truck stop plazas and a personal guarantee by Frank Nocito, an Executive Vice President of the Company and through a family trust the largest shareholder of the Company. Subsequent to the May 2007 closing of the business combination between the Company and Properties, on July 1, 2007 the Account Purchase Agreement between Plazas and Crown Financial was amended and modified from "Eligible Accounts having a 60 day aging" to a "90 day aging that are not reasonably deemed to be doubtful for collections" and the fee of 2.5% payable on the 15th and 30th day of each month has been modified to 1.375%. The Company has assumed this obligation based on the business combination; however, Properties has agreed to continue to secure this financing with the aforementioned mortgages on real property owned by Properties. The balance due on the Crown note at June 30, 2008 and June 30, 2007 was $817,367 and $1,324,775, respectively.

On March 20, 2007, the Oil Segment 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. On July 18, 2007, August 3, 2007, November 9, 2007, January 18, 2008, February 4, 2008, February 14, 2008, and April 11, 2008, the Company, in accordance with its agreement with Credit Cash, refinanced the loan in the amounts of $250,000, $300,000, $1,100,000, $500,000, $250,000, $500,000 and $800,000, respectively (see Note 10). The outstanding Credit Cash loan as of June 30, 2008 and 2007 was $292,618 and 493,521, respectively. Please refer to Note 21 – Subsequent Events, found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report for disclosure relating to additional transactions with Credit Cash subsequent to June 30, 2008, that helped improve or affected the Company's liquidity.

Prior to the business combination between Properties and the Company, Properties entered into a loan agreement with Credit Cash, which was an advance against credit card receivables at the truck stop plazas then operated by Properties. As a result of the business combination, this obligation was assumed by the Company's newly formed, wholly-owned subsidiary, Plazas as it became the operator of the truck stop plazas. Credit Cash, while acknowledging the business combination, has continued to obligate both Properties and Plazas in their loan documents as obligors of the loan.

On July 16, 2007, Credit Cash agreed to extend further credit of $400,000 secured by the credit card receivables at the truck stops operated by Plazas. This July 16, 2007 extension of credit agreement was in addition to and supplemented all previous agreements with Credit Cash. Terms of the original loan and extensions called for repayment of $1,010,933 plus accrued interest which will be repaid through Credit Cash withholding 15% of credit card collections from the operations of the truck stop plazas until the loan balance is paid in full. The interest rate is prime plus 3.75% (8.75% at June 30, 2008). There are certain provisions in the agreement, which allows the Lender to increase the withholding, if the amount it is withholding is not sufficient to satisfy the loan in a timely manner. However, on November 2, 2007 and again on January 18, 2008, Credit Cash again agreed to extend an additional credit in the amount of $1,100,000 and $600,000, respectively. Terms of the agreement are the same as the prior July 16, 2007 financing. The outstanding balance of the loan as of June 30, 2008 and 2007 was $328,474 and $1,160,235, respectively, plus accrued interest. Please refer to Note 21 – Subsequent Events, found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report for disclosure relating to additional transactions with Credit Cash subsequent to June 30, 2008, that helped improve or affected the Company's liquidity.

On October 17, 2007, the Company entered into a loan agreement with S&S NY Holdings, Inc. (“S&S”) for $500,000 to purchase #2 heating fuel. The term of the agreement is for 90 days with an option to refinance at the end of the 90 day period for an additional 90 days. The repayment of the principal amount will be $.10 cents per gallon of fuel sold to the Company’s customers excluding pre-purchase gallons. An additional $.075 per gallon will be paid as interest. The agreement also provides that in each 30 day period the interest amount can be no less than $37,500.00. The amount outstanding on this note at June 30, 2008 was $362,820. As of February 15, 2008 the Company had repaid $137,180 and exercised its right to refinance the amount until March 31, 2008. The Company has provided for repayment of this loan in exchange for granting S&S a 49% interest in Able Energy NY, Inc., a wholly owned subsidiary of the Company, and a 90% interest in the Company’s Easton and Horsham, PA operations (“Able PA”).

On December 20, 2007, the Company entered in to a second loan agreement with S&S for $500,000 to purchase #2 heating fuel. The term of the agreement is through March 31, 2008. The repayment of principle is not due until the maturity date. An additional $0.075 per gallon will be paid as interest. The agreement also provides that in each 30-day period the interest amount can be no less than $37,500. On July 22, 2008, the Company entered into an agreement with S&S which provided for repayment of the loans from S&S in exchange for granting S&S a 49% interest in Able Energy NY, Inc. (“Able NY”), a wholly owned subsidiary of the Company, and a 90% interest in Able PA. This agreement was subsequently amended on October 31, 2008 granting the Company the right to repurchase S&S’s interests in Able NY and Able PA (“Able PA”). See “S&S Settlement Agreement” and “Amendment to S&S Settlement Agreement” in Note 21 – Subsequent Events, in the Consolidated Financial Statements in Item 8 of this Annual Report.

As of June 30, 2008, the Company had a cash balance of $3.0 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.

The business combination between Properties and the Company pursuant to which the Company would acquire the businesses, which would constitute the Company’s Travel Plazas Segment, was approved by a special supermajority (as required under Delaware corporate law) of the Company’s unrelated-party shareholders at a special meeting of shareholders held on August 29, 2006. Separately, on August 30, 2006, the Company received a Formal Order of Private Investigation from the SEC pursuant to which the Company and 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 our securities and our disclosures or failures to disclose material information in the Company’s SEC required filings. Upon the Company notifying its then auditors, Marcum & Kliegman, LLP (“M&K”) of the Company’s receipt of the Formal Order and subpoenas, M&K, as a condition to its continued engagement as the Company’s auditors, required that the Company delay the completion of the business combination until after M&K completed the audit for year ended June 30, 2006. The Company acquiesced to that condition. By letter dated September 27, 2006, M&K notified the Company that it would implement new and additional auditing procedures in light of the Formal Order. The audit for the year ended June 30, 2006 was not completed until April 12, 2007. M&K billed approximately 3,500 hours for the audit at a cost in excess of $800,000. In addition, the Company retained outside consultants, Financial Consulting Strategies, LLC (FCS”) to assist with the audit at a cost of more than $175,000. FCS was recommended by M&K to assist the Company since M&K stated it has worked with FCS on audit matters for other clients of M&K. The fees incurred by the Company in connection with the audit for the year ended June 30, 2006 significantly exceeded the Company’s initial expectations as a result of the events described in this paragraph.

The result of M&K’s condition that the completion of the business combination be delayed until the 2006 audit was completed together with the substantial delay in completing the 2006 audit caused the Company substantial loss of opportunity, substantial expense and resulted in the Company not being current with its SEC filing requirements.

On May 30, 2007, the Company finally 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 eleven truck plazas other than the underlying real estate and the buildings thereon.

Thereafter, as the Company commenced the integration of the two entities, the Company had immediate short-term cash issues resulting from the extraordinary additional legal and accounting expenses relating to the 2006 audit and the SEC investigation. Those expenses coupled with the Company's inability to raise debt or equity capital as a result of it being out of SEC filing compliance and the lack of current financial statements left the Company in a precarious position. By the fall of 2007, All American Plazas, Inc. ("Plazas"), the Company's wholly-owned subsidiary formed to operate the travel plaza businesses acquired in the business combination, was utilizing its current cash to meet not only its needs, but also those of the Company. The Company was also experiencing a substantial decline in its business in the period from September through December 2007 due, in large part, to an unusually warm fall and early winter season. During this period a substantial portion of the Company's cash requirements were paid by Plazas from operations of the Travel Plazas Segment. Also during this period, the Travel Plazas Segment started to experience a reduction of truck traffic at its facilities. By the spring of 2008 the Travel Plazas Segment had experienced a reduction of approximately 35% to 40% in its diesel fuel sales. This reduction was the result of a weakening economy and the substantial escalation of the cost of diesel fuel. In addition, with the substantial increase of the cost of the Travel Plazas Segment's main product, Plazas also experienced an increase in the cost of its credit card processing fees. The fee charged Plazas for processing credit cards at its travel plazas is based upon a multiple of the purchase price. The unprecedented increase in the cost of motor fuel through the summer of 2008 and the concurrent increase in credit card processing fees required the Company to enter into short-term loans with Credit Cash, LLC by financing its credit card receivables to permit the Company to meet its expenses. The costs and rates incurred on these loans were extremely expensive. As a result, the Company's financial condition rapidly deteriorated.

The Company entered into a fuel supply agreement on May 8, 2008 with Atlantis Petroleum, LLC, which has assisted Plazas in meeting the diesel fuel requirements for the Travel Plaza Segments facilities in Pennsylvania by providing a ten day credit facility for the payment of these fuel purchases.

By September, 2008 the cost of fuel began to decline which has helped the Company with certain of its cash requirements; however, the domestic and global economy has continued to experience a turbulent decline creating great uncertainty in the United States markets and economy. The Company is taking actions to meet this challenge, however, there can be no assurances that the Company will be able to adequately meet the uncertainties of the current economic down-turn.

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.

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 the fiscal year ended June 30, 2008 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, 2008, the Company executed numerous financing agreements, sold certain assets and engaged in other activities to enhance its liquidity. Please refer to Note 21 - Subsequent Events, found in the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report, for detailed disclosure of these activities, subsequent to June 30, 2008, 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 order to achieve filing compliance, the Company, in addition to the filing of this Form 10-K for the year ended June 30, 2008, must also complete and timely file its Report on Form 10-Q for the quarter ended September 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.

Off-Balance Sheet Arrangements

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

Contractual Obligations

The following schedule summarizes our contractual obligations as of June 30, 2008 in the periods indicated:

Contractual Obligation	Total	Less Than 1 Year	1-3 Years	3-5 years	More then 5 years
Long term debt	$ 7,492,942	$ 4,123,602	$ 467,576	$ 211,923	$ 2,689,842
Capital lease obligations	687,694	366,804	259,186	61,704	-
Operating leases	9,193,883	7,183,883	2,010,000	-	-
Other long term obligations	214,517	141,600	-	-	-
Total contractual obligations	$ 17,589,035	$ 11,815,888	$ 2,736,762	$ 273,627	$ 2,689,842

Excluded from the table above are estimated interest payments on long-term debt and capital lease obligations of approximately $534,000, $463,000, $350,000 and $1,684,000 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 $0.3 million that the Company entered into subsequent to June 30, 2008.

Additional Factors That May Affect Future Results

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.

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

Not applicable.

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 on August 13, 2007, on October 1, 2007, the Company and its Chief Executive Officer (“CEO”) filed an action in New York state court against Marcum & Kliegman, LLP. See, Item 3, “Litigation” of this Report.

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.

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 Chief Financial Officer and several other members of the Company's senior management at June 30, 2008. Based on this evaluation, and as noted below, the Company's Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2008, 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 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 had previously identified a weakness during the preparation of its 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, the Company retained independent consultants with experience in public company disclosure requirements to assist the Chief Executive Officer and the then acting Chief Financial Officer in their respective duties during the review, preparation and disclosures required in SEC rules and regulations. 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.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Internal control over financial reporting refers to the process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer, and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements.

Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, the Company's management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of June 30, 2008 as required by the Securities Exchange Act of 1934 Rule 13a-15(c). In makinig this assessment, the Company's management used the criteria set forth in the framework in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring organizations of the Treadway Commission ("COSO"). Based on the evaluation conducted under the framework in "Internal Control - Integrated Framework" issued by COSO the Company's management concluded that the Company's internal control over financial reporting was not effective as of June 30, 2008. The previously identified weakness pertaining to timely filing of the Company's annual and interim periodic SEC filings has not been remediated as of June 30, 2008. Remediation of the weakness will not occur until the Company is in compliance with all of its periodic filings and has the ability to file future filings on a timely basis.

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this Annual Report on Form 10-K.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness into future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Controls

There have been no changes to the Company's system of internal control over financial reporting during the year ended June 30, 2008 that has materially affected, or is reasonably likely to materially affect, the Company's system of controls over financial reporting.

As part of a continuing effort to improve the Company's business processes management is evaluating its internal controls and may update certain controls to accommodate any modifications to its business processes or accounting procedures.

Item 9B. Other Information

Credit Card Receivable Financing

On April 11, 2008 the Oil Segment of the Company and its subsidiary, PriceEnergy.com, refinanced their loans with Credit Cash, in the aggregate amount of $800,000 with similar terms to that of the original financing..

Fuel Supply

On May 8, 2008, Plazas entered into a Fuel Supply Agreement ("FSA") with Atlantis Petroleum, LLC ("Atlantis"). The FSA provides that for a term of three years, Atlantis will be the sole and exclusive diesel fuel supplier to eight (8) of the travel plazas operated by Plazas located in Pennsylvania. The price per gallon of the diesel fuel supplied by Atlantis provides Plazas with a favorable wholesale rate. The price per gallon is based upon the delivery of a full transport truckload of product. All prices charged by Atlantis are subject to the provisions of applicable law. It is estimated that pursuant to the FSA, Atlantis will supply at least 44,000,000 gallons of diesel fuel for the first year and increase thereafter as Plazas increases its market share.

The obligations of Plaza under the FSA have been guaranteed by Properties, which guaranty is limited to a thirty day period beginning thirty days prior to Atlantis' written notice to Properties of Plazas' breach of the FSA.

Doswell Sale Agreement

On May 12, 2008, Plazas entered into a sale agreement with T.S.O., Inc. ("TSO") for the sale of Plaza's assets located at its leased Doswell, VA travel plaza. In exchange for total consideration to Plazas of approximately $0.4 million, Plazas has agreed to transfer to TSO title to all tangible and intangible assets (excluding corporate records) and liabilities relating to the operations of the Doswell, VA travel plaza. Under the sale agreement, TSO had until October 12, 2008 to obtain and deliver a firm commitment letter for the purchase price. By letter dated November 6, 2008, the owner of the real property underlying the Doswell travel plaza sent a notice to TSO terminating the contract of sale. During the period July 12, 2008 through termination of the contract of sale, TSO is obligated to pay the Company rent in the amount of $75,000 per month.

Filing Requirements

This Annual Report on Form 10-K for the year ended June 30, 2008 was filed beyond the applicable filing deadline.

ABLE ENERGY, INC. AND SUBSIDIARIES
Consolidated Financial Statements

For the Years Ended
June 30, 2008 and 2007

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Lazar Levine & Felix LLP
CERTIFIED PUBLIC ACCOUNTANTS & 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 sheets of Able Energy, Inc. and Subsidiaries (the “Company”) as of June 30, 2008 and 2007 and the related consolidated statements of operations, stockholders' equity, and cash flows for the each of the two years in the period ended June 30, 2008. 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits 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 audits 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 audits 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, 2008 and 2007 and the results of its operations and its cash flows for each of the two years in the period ended June 30, 2008, 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 $12,900,000 and $6,600,000 during the years ended June 30, 2008 and 2007, respectively, resulting in an accumulated deficit of approximately $30,600,000 at June 30, 2008. In addition, the Company has used cash from operations of approximately $3,600,000 and $1,272,000 for the years ended June 30, 2008 and 2007, respectively, and has a working capital deficiency of approximately $12,900,000 at June 30, 2008. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to this matter are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

LAZAR LEVINE & FELIX LLP
Morristown, New Jersey
November 14, 2008

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ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2008		June 30, 2007	
ASSETS				
Current Assets:				
Cash and cash equivalents	$	3,025,577	$	3,034,183
Accounts receivable, net of allowance for doubtful accounts of $1,283,013 and $744,253, at June 30, 2008 and 2007, respectively		4,088,377		5,648,996
Inventories		2,724,315		4,191,790
Notes receivable - current portion		-		725,000
Advances to related parties		-		8,374,496
Prepaid expenses and other current assets		1,676,658		1,169,175
Total Current Assets		11,514,927		23,143,640
Property and equipment, net		6,414,011		7,603,263
Goodwill		11,046,179		11,139,542
Intangible assets, net		5,531,345		5,970,303
Deferred financing costs, net		159,718		225,430
Security deposits		76,818		79,918
Total Assets	$	34,742,998	$	48,162,096
LIABILITIES & STOCKHOLDERS' EQUITY				
Current Liabilities:				
Line of credit	$	979,818	$	481,602
Notes payable, current portion		4,123,602		3,236,168
Capital leases payable, current portion		366,804		376,042
Convertible debentures and notes payable, net of unamortized debt discounts of $623,962 and $1,784,233 as of June 30, 2008 and 2007, respectively		2,164,094		1,348,267
Accounts payable and accrued expenses		15,152,749		17,711,401
Customer pre-purchase payments and unearned revenue		1,636,911		3,615,087
Total Current Liabilities		24,423,978		26,768,567
Notes payable, less current portion		3,369,340		3,632,726
Capital leases payable, less current portion		320,890		729,816
Deferred income taxes		247,000		-
Total Long Term Liabilities		3,937,230		4,362,542
Total Liabilities		28,361,208		31,131,109
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, 2008 and 2007, respectively;				
14,965,389 and 14,950,947 shares issued and outstanding				
at June 30, 2008 and 2007, respectively		14,966		14,951
Additional paid in capital		37,856,321		37,840,498
Accumulated deficit		(30,584,497)		(17,671,264)
Notes and loans receivable - related parties		(905,000)		(3,153,198)
Total Stockholders' Equity		6,381,790		17,030,987
Total Liabilities and Stockholders' Equity	$	34,742,998	$	48,162,096

See accompanying notes to the consolidated financial statements

ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended June 30, 2008	2007
Net Sales	$ 276,440,588	$ 93,641,548
Cost of Sales (exclusive of depreciation and amortization shown separately below)	258,857,934	85,103,534
Gross Profit	17,582,654	8,538,014
Operating Expenses:		
Selling, general and administrative	25,442,782	11,805,324
Depreciation and amortization	1,888,906	740,203
Total Operating Expenses	27,331,688	12,545,527
Loss from Operations	(9,749,034)	(4,007,513)
Other Income (Expenses)		
Interest and other income	518,744	554,767
Interest income - related parties	235,938	280,048
Interest expense	(2,213,955)	(937,345)
Interest expense-related party		(11,671)
Amortization of deferred financing costs	(65,712)	(814,088)
Amortization of debt discounts on convertible debentures and note payable	(1,160,271)	(1,286,135)
Registration rights penalty	(203,263)	(381,542)
Total Other Income (Expenses), Net	(2,888,519)	(2,595,966)
Loss before provision for income taxes	(12,637,553)	(6,603,479)
Provision for income taxes	275,680	28,824
Net Loss	$ (12,913,233)	$ (6,632,303)
Basic and diluted loss per common share	$ (0.86)	$ (1.60)
Weighted average number of common shares outstanding-basic and diluted	14,953,440	4,133,090

See accompanying notes to the consolidated financial statements

ABLE ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For The Years Ended June 30, 2008 and 2007

	Common Stock					
	Shares	Amount	Additional Paid - in Capital	Accumulated Deficit	Notes and Loans Receivable-Related Parties	Total Stockholders' Equity
Balance June 30, 2006	3,128,923	$ 3,129	$ 14,812,723	$ (11,038,961)	$ (2,104,805)	$ 1,672,086
Options granted to outside directors	-	-	439,825	-	-	439,825
Common stock issued in connection with option exercise	12,500	12	54,488	-	-	54,500
Common stock issued in connection with Summit settlement	142,857	143	171,286			171,429
Discounts on convertible debentures and note payable	-	-	3,000,000	-	-	3,000,000
Amortization of deferred compensation	-	-	123,843	-	-	123,843
Notes receivable from related parties for reimbursement of certain fees	-	-	-	-	(590,000)	(590,000)
Issuance of notes receivable and related accrued interest receivable upon advance to stockholders and related party	-	-	-	-	(458,393)	(458,393)
Issuance of stock for the purchase of the assets of All American Plaza, Inc.	11,666,667	11,667	19,238,333	-	-	19,250,000
Net loss	-	-	-	(6,632,303)	-	(6,632,303)
Balance June 30, 2007	14,950,947	14,951	37,840,498	(17,671,264)	(3,153,198)	17,030,987
Repayment of notes receivable from						

related party					2,473,079	2,473,079
Interest related to notes receivable from related party					(224,881)	(224,881)
Common stock and warrants issued in conjunction with consulting agreement	14,442	15	15,823			15,838
Net loss				(12,913,233)		(12,913,233)
Balance June 30, 2008	14,965,389	$ 14,966	$ 37,856,321	$ (30,584,497)	$ (905,000)	$ 6,381,790

See accompanying notes to consolidated financial statements

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ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended June 30, 2008	2007
Cash flow from operating activities:		
Net loss	$ (12,913,233)	$ (6,632,303)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,888,906	740,203
Provision for bad debts	564,551	107,167
Amortization of discounts on convertible debentures and notes payable	1,160,271	1,286,135
Amortization of deferred financing costs	65,712	814,088
Accrual of interest income on note receivable and loan-related parties	(224,881)	(182,942)
Loss on sale of Able Melbourne assets	121,634	-
Stock - based compensation	-	735,096
Gain on sale of property and equipment	-	(11,964)
Derivative losses	-	926,170
Noncash consulting fees	15,838	-
(Increase) decrease in operating assets:		
Accounts receivable	392,507	585,218
Advances to related parties	-	(8,374,496)
Inventories	1,433,805	180,046
Receivable from related parties	-	-
Prepaid expenses and other current assets	(509,409)	(1,255,675)
Security deposits	3,100	5,000
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	6,127,936	10,042,855
Customer pre - purchase payments unearned revenue	(1,978,178)	(236,711)
Deferred income taxes	247,000	-
Net cash used in operating activities	(3,604,441)	(1,272,113)
Cash flows from investing activities:		
Purchases of property and equipment	(343,836)	(843,112)
Cash acquired in purchase of Horsham Franchise, net of $128,000 cash paid	-	109,539
Cash acquired in purchase of All American Plazas, Inc	-	2,201,977
Advances\(repayments) (to)\from related parties	2,473,079	(1,580,451)
Collection of notes receivable	725,000	231,878
Net Cash recived on sale of Able Melbourne assets	306,217	
Cash received on sale of property and equipment	-	13,884
Net cash provided by investing activities	3,160,460	133,715
Cash flows from financing activities:		
Net (repayments) borrowings under line of credit	498,216	(750,038)
Proceeds from notes payable	7,150,000	1,200,000
Repayment of notes payable	(6,501,591)	(1,043,617)
Repayment of capital leases payable	(366,806)	(350,787)

Proceeds from exercise of options		-		54,500
Deferred financing costs		-		(82,207)
Proceeds from sale of convertible debentures and notes payable		-		3,000,000
Repayments of convertible debentures		(344,444)		-
Net cash provided by financing activities		435,375		2,027,851
Net increase in cash and cash equivalents		(8,606)		889,453
Cash and cash equivalents at beginning of period		3,034,183		2,144,729
Cash and cash equivalents at end of period	$	3,025,577	$	3,034,182

See accompanying notes to the consolidated financial statements

ABLE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS-CONTINUED

	For the years ended June 30, 2008		For the years ended June 30, 2007	
Supplemental disclosure of cash flow information:				
Cash paid during the year for interest	$	2,075,398	$	949,015
Reduction in goodwill since certain liabilities were not assumed by Plazas	$	93,363	$	-
Transfer of Work in Progress in Property and Equipment from a previous period to Intangible Assets	$	312,538	$	-
Advance to related party utilized to settle trade payables	$	8,374,495	$	-
Sale of Melbourne Subsidiary				
Net cash selling price	$	306,217	$	-
Less assets sold (carrying value):				
Accounts receivable, net of allowance	$	603,561	$	-
Inventory		33,670		-
Property, plant and equipment, net		84,977		-
Accounts payable		(218,638)		-
Notes payable		(24,361)		-
Capital lease		(51,358)		-
Net assets sold	$	427,851	$	-
Non-cash loss on sale of assets	$	121,634	$	-
Purchase of Horsham franchise from Able Oil Montgomery, Inc.:				
Assets acquired and liabilities assumed:				
Inventories	$	-	$	28,000
Property and equipment		-		39,000
Intangible assets-Customer lists		-		697,175
Customer pre-purchase payments		-		(237,539)
Business combination with All American Plazas, Inc.:				
Assets acquired and liabilities assumed:				
Accounts receivable-net	$	-	$	2,947,566
Inventories		-		3,667,849
Property and equipment		-		2,443,767
Intangible assets-franchise agreements		-		64,156
Intangible asset-option to acquire Properties real estate		-		5,000,000
Prepaid expenses and other current assets		-		503,708
Goodwill		-		11,139,542
Accounts payable and accrued expenses		-		(5,604,025)
Notes payable		-		(3,114,540)
	$	-	$	402,775.00

Property and equipment acquired through the assumption of capital lease obligations	

See accompanying notes to condensed consolidated financial statements

Note 1 - Nature of Operations

Able Energy, Inc. ("Able") was incorporated on March 13, 1997, in the state of Delaware. Its current wholly-owned 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), and its majority owned (67.3% as of June 30, 2008) subsidiary, PriceEnergy.com, Inc. ("PriceEnergy") and All American Plazas, Inc. ("Plazas"). Able, together with its operating subsidiaries, are hereby also referred to as the Company.

On February 8, 2008, (the "Closing Date") the Company and Able Melbourne executed an Asset Purchase Agreement ("APA") with Able Oil of Brevard, Inc. ("Able Brevard"), a Florida corporation, owned by a former employee of Able Melbourne. For consideration in the amount of $375,000, (net of cash retained of $68,783) the APA provided for the sale to Able Brevard of all of the tangible and intangible assets (excluding corporate books and records), liabilities and lease obligations of Able Melbourne, as is, on the Closing Date resulting in a loss of $121,634.

Since the Company's business combination with All American Plazas, Inc. (now known as All American Properties, Inc.) on May 30, 2007 (see Note 4), 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 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. Please refer to Note 21 - Subsequent Events, for disclosure relating to the July 22, 2008 sale of 49% of the common stock of Able NY and the sale of a portion of the Company's Oil Segment operations in Easton and Horsham PA ("Able PA") and the October 31, 2008 agreement pursuant to which the Company was granted the right 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 ten travel plazas, located in Pennsylvania, New Jersey, New York and Virginia.

Note 2 - Going Concern and Management's Plans

The accompanying consolidated financial statements 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, 2008 and 2007 of approximately, $12.9 million and $6.6 million, respectively, resulting in an accumulated deficit balance of approximately $30.6 million as of June 30, 2008. Net cash used in operations during the years ended June 30, 2008 and 2007 was approximately $3.6 million and $1.3 million, respectively. At June 30, 2008, the Company has a working capital deficiency of $12.9 million. These factors raise substantial doubt about the Company's ability to continue as a going concern. These 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.

On May 30, 2007, the Company completed a business combination with All American Plazas, Inc., now known as All American Properties, Inc. ("Properties") (See Note 14). The Company is pursuing sales initiatives, cost savings and credit benefits as contemplated in the business combination including consolidation of business operations where management of the Company deems appropriate for the combined entity. In order to conserve its capital resources and to provide incentives for the Company's employees and other service vendors, the Company expects to continue to issue, from time to time, common stock and stock options to compensate employees and non-employees for services rendered. The Company is focusing on expanding its distribution programs and 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. The Company is also evaluating, on a combined basis, all of its product lines for cost reductions, consolidation of facilities and efficiency improvements. There can be no assurance, however, that the Company will be successful in achieving its operational improvements which would enhance its liquidity situation.

Note 2 - Going Concern and Management's Plans – continued
The Company's net loss for the year ended June 30, 2008 was approximately $12.9 million, including non-cash charges totaling approximately $3.8 million. The Company has been funding its operations through an asset-based line of credit and the issuance of notes payable.

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 the Company will be successful in its efforts to enhance its liquidity situation.

The Company will require some combination of the collection of Properties notes receivable, 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, 2009. The Company must also bring current each of its Securities and Exchange Commission ("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, 2008, the Company must also complete and timely file its Form 10-Q for the quarter ended September 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.

Note 3 - Summary of Significant Accounting Policies

Principles of Consolidation

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

Cash and Cash Equivalents

All highly liquid investments purchased with a maturity of three months or less at the time of purchase are considered cash equivalents.

Inventories

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

	June 30,	
Product	2008	2007
#2 heating oil	$ 131,418	$ 327,757
Diesel fuel	36,351	59,086
Kerosene	20,115	10,176
Propane	37,632	15,980
Parts, supplies, equipment and other	201,823	213,484
Fuels	791,674	1,260,653
Non-fuel, merchandise, etc.	1,505,302	2,304,654

Total	$	2,724,315	$	4,191,790

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Note 3 - Summary of Significant Accounting Policies-continued

Property and Equipment

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

Vehicles, Machinery and Equipment, Office Furniture, Fixtures and Equipment	5-10 years
Fuel Tanks	10 years
Cylinders – Propane	20 years
Buildings	20-40 years
Building Improvements	20 years
Leasehold Improvements	Lesser of useful life or life of lease

Upon retirement or other disposition of these assets, the cost and related accumulated depreciation and amortization of these assets are removed from the accounts and the resulting gains or losses are reflected in the consolidated results of operations. Expenditures for maintenance and repairs are charged to operations as incurred. Renewals and betterments are capitalized.

Intangible Assets

Intangible assets include customer lists, website development costs and an option to purchase real estate from Properties. Costs incurred in the developmental stage for computer hardware and software have been capitalized in accordance with Emerging Issues Task force ("EITF") 00-2, "Accounting for Web Site Development Costs," and are amortized on a straight-line basis over the estimated useful life of 5 years.

Customer lists related to various acquisitions are being amortized over lives of 10-15 years.

The option to purchase the real estate of Properties is being amortized over 10 years, the life of the lease, including automatic renewal options.

Impairment of Long-Lived Assets

Long-lived assets, including property and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying value of an asset to the undiscounted future cash flows expected to be generated by the asset. If the carrying value of an asset exceeds its estimated undiscounted future cash flows, an impairment provision is recognized to the extent the book value of the asset exceeds estimated fair value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value of the asset, less all associated costs of disposition.

Based upon an assessment in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets", there has been no impairment of the intangible assets.

Deferred Financing Costs

In connection with the Company's issuance of convertible debentures, notes payable and obtaining a line of credit, the Company incurred certain costs, which were capitalized and are being amortized over the life of the related debt obligation. For convertible debentures that are converted into common stock, the pro-rata portion of the deferred financing cost is amortized immediately upon conversion.

Note 3 - Summary of Significant Accounting Policies – continued

Goodwill

Goodwill information is as follows:

	Year ended June 30, 2008	2007
Goodwill-beginning of year	$ 11,139,542	$ -
Acquired	-	11,139,542
Adjustments	(93,363)	-
Goodwill-end of year	$ 11,046,179	$ 11,139,542

Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142") requires that purchased goodwill and indefinite-lived intangibles not be amortized. Rather, goodwill and indefinite-lived intangible assets are subject to at least an annual assessment for impairment by applying a fair value-based test.

SFAS No. 142 requires a two-step approach to testing goodwill for impairment for each reporting unit. Our reporting units are determined by the components that constitute a business for which both, (1) discreet financial information is available and, (2) management of the reporting Segment regularly reviews the operating results of that component. The first step tests for impairment by applying fair value-based tests at the reporting Segment level. The second step (if necessary) measures the amount of impairment by applying fair value-based tests to individual assets and liabilities within each reporting unit. We completed our annual goodwill impairment testing as of June 30, 2008 and found no indicators of impairment of our recorded goodwill.

Use of Estimates

The preparation of the consolidated financial statements in conformity with United States generally accepted accounting principles requires the use of estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for our conclusions. We continually evaluate the information used to make these estimates as the business and economic environment changes. Actual results may differ from these estimates under different assumptions or conditions. Such differences could have a material impact on our future financial position, results of operations and cash flows.

The Company records adjustments to the minority interests in PriceEnergy for the allocable portion of income or loss to which the minority interest holders are entitled. The Company suspends allocation of losses to minority interest holders when the minority interest balance for a particular minority interest holder is reduced to zero. Any excess loss above the minority interest holder's balance is not charged to minority interests as the minority interest holders have no obligation to fund such losses. Thus, the Company suspended the allocation of minority interest in fiscal 2008 and 2007.

Joint Ventures

The Company may from time to time enter into joint venture arrangements with third parties. For 50% or less joint venture interests, the Company will reflect its investment in the joint venture as investments in non-consolidating subsidiaries on the consolidated balance sheet. For 51% or more interests, the Company consolidates the joint venture results with that of the Company. The Company has not entered into any joint ventures during the two year period ended June 30, 2008.

Note 3 - Summary of Significant Accounting Policies – continued

Income Taxes

The Company provides for income taxes based on the provisions of Financial Accounting Standards Board (“FASB”) Statement of Financial Accounting Standards (“SFAS”) No. 109, “Accounting for Income Taxes”, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements and tax returns in different years. Under this method, deferred income tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided against deferred tax assets to the extent that it is more likely than not that the deferred tax assets will not be realized.

Deferred tax assets pertaining to windfall tax benefits on exercise of non-qualified stock options and the corresponding credit to additional paid-in capital are recorded if the related tax amount either reduces income taxes payable or results in an income tax refund. The Company has elected the “with and without approach” regarding ordering of windfall tax benefits to determine whether the windfall tax benefit did reduce income taxes payable or resulted in an income tax refund in the current year. Under this approach, the windfall tax benefits would be recognized in additional paid-in capital only if an incremental income tax benefit is realized after considering all other income tax benefits presently available to the Company.

The Tax Reform Act of 1986 limits the use of net operating loss and tax credit carry forwards in certain situations where disqualifying changes occur in the stock ownership of a company. In the event the Company experiences a disqualifying change in ownership, utilization of the carry forwards could be restricted.

Concentrations of Credit Risk

Cash: The Company maintains its cash with various financial institutions in excess of the federally insured limit. At June 30, 2008 and 2007, the Company had cash on deposit of approximately $1.4 million and $1.6 million, respectively, in excess of federally insured limits.

Accounts Receivable: The number of clients that comprise the Company's client base limits concentrations of credit risk with respect to accounts receivable. The Company does not generally require collateral or other security to support client receivables. The Company has established an allowance for doubtful accounts based upon facts surrounding the credit risk of specific clients and past collections history. Credit losses have been within management's expectations.

Advertising

Advertising costs are expensed at the time the advertisement takes place. Advertising expense was approximately $908,000 and $500,000 for the years ended June 30, 2008 and 2007, respectively.

Shipping and Handling Costs

Shipping and handling costs incurred by the Company in connection with the purchase and delivery of fuel oil inventory and fuels were approximately $1,520,000 and $351,000 for the years ended June 30, 2008 and 2007, respectively, and are recognized as a component of cost of sales within the consolidated statement of operations.

Note 3 - Summary of Significant Accounting Policies – continued

Revenue Recognition and Unearned Revenue and Customer Pre-Purchased 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 recognized 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 is recorded as a current liability until the fuel is delivered to the customer, at which time it is recognized as revenue by the Company.

Derivative Contracts

The Company uses derivative instruments (futures contracts) to manage the commodity price risk inherent in the purchase and sale of #2 heating oil. Derivative instruments are required to be marked to market under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), as amended. These contracts are designated as cash flow hedges in accordance with SFAS 133 and are recorded at fair value as a liability entitled "fuel derivative contracts" on the Company's consolidated balance sheet.

The Company believes that these futures contracts for fuel oil have been effective during their term to offset changes in cash flow attributable to the hedged risk. The Company performs a prospective and retrospective assessment of the effectiveness of the futures contracts at least on a quarterly basis. All unrealized gains or losses on the futures contracts at each reporting date are included in accumulated other comprehensive loss in the equity section of the condensed consolidated balance sheet and in comprehensive loss until the related fuel purchases being hedged are sold at which time such gains or losses are recorded in cost of sales in the consolidated statements of operations. However, if the Company expects at any time that continued reporting of a loss in accumulated other comprehensive income would lead to recognizing a net loss on the combination of the futures contracts and the hedged transaction in one or more future periods, a loss is reclassified into cost of goods sold for the amount that is not expected to be recovered. All contracts were closed as of June 30, 2007. As of June 30, 2007, all realized losses on futures contracts were recorded in cost of goods sold in the consolidated statement of operations in the amount of approximately $900,000. There were no such gains or losses in the year ended June 30, 2008.

Net Loss per Share

Basic net loss per common share is computed based on the weighted average number of shares of common stock outstanding during the periods presented. Common stock equivalents, consisting of stock options, warrants, and convertible notes and debentures as further discussed in the notes to the consolidated financial statements, were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive.

The total common shares issuable upon the exercise of stock options and warrants, and conversion of convertible debentures (along with related accrued interest) excluded from comparative diluted loss per share was 7,127,524 and 7,102,524 shares at June 30, 2008 and 2007, respectively.

Presentation of Motor Fuel Taxes Remitted to Government Authorities

The Company's Travel Plaza Segment is charged motor fuel taxes by its suppliers, and these suppliers remit these taxes to government agencies. The Travel Plaza Segment then collects these taxes from consumers at the time of sale. Net sales and cost of sales in our consolidated statements of operations included fuel taxes of $30.0 million and $3.4 million for the years ended June 30, 2008 and 2007, respectively.

Note 3 - Summary of Significant Accounting Policies – continued

Recent Accounting Pronouncements

In June 2005, the Financial Accounting Standards Board ("FASB") issued SFAS 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 APB No. 20 and SFAS 6, 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 any accounting changes after the implementation date. The application of SFAS 154 did not have an impact on the Company's consolidated financial position, results of operations or cash flows.

In June 2005, the FASB ratified Emerging Issues Task Force ("EITF") No. 05-1, "Accounting for the Conversion of an Instrument That Becomes Convertible upon the Issuer's Exercise of a Call Option" ("EITF No. 05-1") which addresses that no gain or loss should be recognized upon the conversion of an instrument that becomes convertible as a result of an issuer's exercise of a call option pursuant to the original terms of the instrument. EITF No. 05-1 is effective for periods beginning after June 28, 2006. The adoption of this pronouncement did not have an effect on the Company's consolidated financial position, results of operations or cash flows.

In June 2005, the FASB ratified EITF Issue No. 05-2, "The Meaning of 'Conventional Convertible Debt Instrument' in EITF Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock", which addresses when a convertible debt instrument should be considered conventional for the purpose of applying the guidance in EITF No. 00-19. EITF No. 05-2 also retained the exemption under EITF No. 00-19 for conventional convertible debt instruments and indicated that convertible preferred stock having a mandatory redemption date may qualify for the exemption provided under EITF No. 00-19 for conventional convertible debt if the instrument's economic characteristics are more similar to debt than equity. EITF No. 05-2 is effective for new instruments entered into and instruments modified in periods beginning after June 29, 2005. The Company has applied the requirements of EITF No. 05-2 since the required implementation date. The adoption of this pronouncement did not have an effect on the Company's consolidated financial position, results of operations or cash flows.

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", 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 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 has not had 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. Adoption is effective after the beginning of the first fiscal year that begins after September 15, 2006. The application of this statement has not had a material impact on the Company's consolidated financial statements.

Note 3 - Summary of Significant Accounting Policies – continued

Recent Accounting Pronouncements – continued

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 the beginning of the Company's year ending June 30, 2007, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The application of this statement has not had a material impact on the Company's 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. This statement does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and all interim periods within those fiscal years. In February 2008, the FASB released FASB Staff Position (FSP FAS 157-2 – Effective Date of FASB Statement No. 157) which delays the effective date of SFAS No. 157 for all non-financial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years. The Company is currently evaluating the impact of adoption of this statement on its financial and nonfinancial assets and liabilities.

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 is required for fiscal years beginning after December 15, 2006, and did not have 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 application of this Statement has not had a material impact on the Company's consolidated financial statements.

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.

Note 3 - Summary of Significant Accounting Policies – continued

Recent Accounting Pronouncements – continued

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.

Reclassifications

Certain reclassifications have been made to the June 30, 2007 consolidated financial statements in order to conform to the current year presentation.

Stock-Based Compensation

Prior to July 1, 2005, the Company accounted for its stock options issued to employees pursuant to APB 25, "Accounting for Stock Issued to Employees". Accordingly, the Company would recognize employee stock-based compensation expense only if it granted options at a price lower than the closing price of the Company's common stock on the date of grant. Any resulting compensation expense would then have been recognized ratably over the associated service period. The Company provided proforma disclosure amounts in accordance with SFAS No. 148, "Accounting for Stock-Based Compensation -Transition and Disclosure", as if the fair value method defined by SFAS 123 had been applied to its stock-based compensation.

Effective July 1, 2005, the Company adopted the fair value recognition provisions of SFAS 123R, using the modified prospective transition method and therefore has not restated prior periods' results. Under this transition method, employee stock-based compensation expense for the year ended June 30, 2006 has included compensation expense for all stock-based compensation awards granted, but not yet fully vested, prior to July 1, 2005, utilizing the fair value of the options as determined at the original grant date in accordance with the provisions of SFAS 123. Stock-based compensation expense for all share-based payment awards granted after June 30, 2005 is based on the grant-date fair value estimated in accordance with the provisions of SFAS 123R.

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Note 3 - Summary of Significant Accounting Policies – continued

Stock-Based Compensation – continued

The Company recognizes these compensation costs over the requisite service period of the award, which is generally the vesting term of the options.

The Company recorded no stock-based employee compensation expense relating to the Company's stock option plan (See Note 13) for either of the years ended June 30, 2008 and 2007. At June 30, 2008, there was no unamortized value of employee stock options under SFAS 123R because all outstanding stock options at June 30, 2007 were fully vested.

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of SFAS 123 and the EITF Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or In Conjunction with Selling, Goods or Services" which require that such equity instruments are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measured. The fair value determined is then amortized over the applicable service period. The Company recorded no stock-based compensation for non-employees accounted for under EITF 96-18 in either of the years ended June 30, 2008 and 2007 (See Note 13). At June 30, 2008, there was no unamortized value of non-employee stock options.

Option valuation models require the input of highly subjective assumptions including the expected life of the option. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options. Due to the acquisition of certain assets and liabilities from Properties on May 30, 2007, the Company has elected to use the "simplified "method in determining the expected life, and ultimately, the value assigned to these options due to the lack of available, sufficient historical option exercise data. The Company has not previously elected to use the "simplified" method in valuing any of its option grants, and depending on data available at the time, may or may not elect to use the "simplified" method when valuing future grants of options.

Note 4 - Acquisitions

On December 13, 2006, the Company purchased certain of the assets and assumed certain liabilities 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, which until this acquisition, was a franchise operation of the Company and an entity to whom the Company sold #2 heating oil. This acquisition was accounted for pursuant to SFAS No. 141, "Business Combinations" ("SFAS 141") which requires that the total purchase price be allocated to the fair value of the assets acquired, including the intangible assets and liabilities, if any, assumed based on their fair values at the acquisition date. Accordingly, under the purchase method of accounting, the assets acquired by the Company were recorded at their respective preliminary fair values as of the date of acquisition, summarized as follows:

Purchase of Horsham franchise from Able Oil Montgomery, Inc.:		
Assets acquired and liabilities assumed:		
Cash	$	237,539
Inventories		28,000
Property and equipment		39,000
Intangible assets - Customer lists		697,175
Customer pre - purchase payments		(237,539)
Total purchase price	$	764,175
Less: Cash paid to purchase Horsham Franchise		(128,000)
Non-cash consideration due to seller	$	636,175
Non - cash consideration consisted of:		
Note payable due to seller	$	345,615
Forgiveness of note receivable, accrued interest receivable and other receivable due from seller		290,560
	$	636,175

The accompanying consolidated financial statements include the results of Horsham franchise operations from December 13, 2006, the effective date of acquisition, to June 30, 2008.

On May 30, 2007, the Company completed the purchase of certain of the assets and assumed certain liabilities of its largest shareholder, All American Plazas, Inc., a Pennsylvania corporation, for a purchase price of $19,250,000. The consideration for the purchase price was the issuance of 11,666,667 shares of the Company's common stock at a price of $1.65 per share, the market price of the Company's common stock on the day of issuance. Prior to the purchase transaction, All American Plazas, Inc. owned approximately 31.8% of the Company's common stock. After consummation of the purchase transaction, All American Plazas, Inc., owned approximately 85.5% of the Company's outstanding common stock. Approximately 85% of the outstanding stock of All American Plazas, Inc. is beneficially held by the Chelednik Family Trust by Mr. Frank Nocito, our Vice President of Business Development, and his wife, Sharon Chelednik, for the benefit of their family members, including seven children. Mr. Nocito is also a Vice President of All American Plazas, Inc. In addition, pursuant to an agreement between the Chelednik Family Trust and Gregory Frost, Our Chief Executive Officer ("CEO") and Chairman, through an entity controlled by him (Crystal Heights, LLC), is the beneficial holder of approximately 15% of the outstanding common stock of All American Plazas, Inc. Subsequent to the business combination, All American Plazas, Inc. changed its name to All American Properties, Inc. ("Properties"). This business combination resulted in the Company acquiring the operating assets of eleven multi-use truck stop plazas, formerly operated by Properties, and assuming certain of Properties debt. Properties retained ownership of the underlying real property on which each of the acquired travel plazas was situated. The Company formed a new wholly-owned subsidiary, All American Plazas, Inc. ("Plazas"), a Delaware corporation, to operate the acquired plazas which constitute the Company's Travel Plaza Segment.

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Note 4 - Acquisitions-continued

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.

This acquisition was also accounted for pursuant to SFAS 141 which requires that the total purchase price be allocated to the fair value of the assets acquired, including the intangible assets and liabilities, if any, assumed based on their fair values at the acquisition date. Accordingly, under the purchase method of accounting, the assets acquired by the Company were recorded at their respective fair values as of the date of acquisition, as adjusted during the year ended June 30, 2008, summarized as follows:

Business combination with All American Plazas, Inc.:		
Assets acquired and liabilities assumed :		
Cash and cash equivalents	$	2,201,977
Accounts receivable-net		2,947,566
Inventories		3,667,849
Property and equipment		2,443,767
Intangible assets-franchise agreements		64,156
Intangible asset-option to acquire Properties real estate		5,000,000
Prepaid expenses and other current assets		503,708
Goodwill		11,046,179
Accounts payable and accrued expenses		(5,519,662)
Notes payable		(3,114,540)
Total purchase price	$	19,250,000

The accompanying consolidated financial statements include the results of Plaza's operations from June 1, 2007, the effective date of acquisition, to June 30, 2008.

The following unaudited proforma statements of operations represent consolidated results of operations of the Company had the acquisition of All American Plazas, Inc. and Able Oil Montgomery, Inc. occurred for the current and proceeding fiscal years, summarized as follows:

(Unaudited)		For the Year Ending June 30, 2007
Net revenue	$	282,241,850
Net loss	$	(12,291,420)
Basic and diluted loss per share	$	(0.83)

The above unaudited proforma information does not purport to be indicative of what would have occurred had the acquisitions been made as of such date or the results which may occur in the future.

Note 5 - Notes Receivable

On March 1, 2004, the Company entered into two notes receivable totaling $1.4 million related to the sale of its subsidiary, Able Propane, LLC. The notes are secured by substantially all the assets of Able Propane, LLC. One note for $500,000 bears interest at a rate of 6% per annum and the other note for $900,000 is non-interest bearing. Principal is payable in annual installments and interest is paid quarterly with the final maturity date of March 1, 2008 for both notes. The balance outstanding of these two notes as of June 30, 2008 and 2007 was zero and $725,000, respectively. Interest earned on the interest-bearing note for the years ended June 30, 2008 and 2007 was $20,000 and $30,000, respectively. The principal and interest due on the notes was paid-in-full on March 6, 2008.

The Company had a note receivable from Able Montgomery, Inc. ("Able Montgomery") and Andrew Schmidt (the owner of Able Montgomery) related to the sale of Able Montgomery and certain assets to Mr. Schmidt. The note was dated June 15, 2000 for $170,000. The note bore interest at 9.5% per annum and payments commenced October 1, 2000. The note was secured by the stock of Able Montgomery, Able Montgomery's assets, as well as a personal guarantee of Mr. Schmidt. The balance outstanding on this note at June 30, 2007 was zero. On December 13, 2006, the Company purchased the assets of Able Montgomery (See Note 4). Included in the purchase consideration was the forgiveness of the principal balance due and accrued interest on the above noted note receivable.

Note 6 - Property and Equipment

Property and equipment was comprised of the following at June 30, 2008 and 2007:

	June 30,	
	2008	2007
Land	$ 479,346	$ 479,346
Buildings	1,674,124	1,674,124
Building improvements	791,166	906,685
Trucks and autos	4,349,790	4,552,651
Machinery and equipment	1,848,895	1,988,777
Office furniture, fixtures and equipment	1,371,183	1,359,241
Fuel tanks	984,461	1,008,129
Cylinders - propane	525,501	486,309
Construction in progress	219,829	-
	$ 12,244,295	$ 12,455,263
Less: accumulated depreciation	(5,830,284)	(4,852,000)
Property and equipment, net	$ 6,414,011	$ 7,603,263

At June 30, 2008 and 2007 equipment held under the capital leases, included above, had a net book value of $1,152,967 and $1,398,361, respectively.

Depreciation of property and equipment, including the depreciation of equipment held under capital leases, was $1,143,609 and $622,518 for the years ended June 30, 2008 and 2007, respectively.

Note 6 - Property and Equipment-continued

Closure of Strattanville Travel Plaza

One of the Travel Plazas Segments facilities, Strattanville, Pennsylvania, was shut-down in April, 2008 due to unprofitable operations at that site. Management is exploring business opportunities relating to this site. All of the equipment at this facility could be transferred and utilized at other locations. As of June 30, 2008, $158,520 of equipment has been classified as an idle asset and is no longer being depreciated.

Doswell Sale Agreement

On May 12, 2008, the Company entered into a sale agreement with T.S.O. Inc. ("TSO") for the sale of the Company's operating assets located at its leased Doswell, VA travel plaza. In exchange for total consideration to the Company of approximately $0.4 million, the Company has agreed to transfer to TSO title to all tangible and intangible assets (excluding corporate records) and liabilities relating to the operations of the Doswell, VA travel plaza. TSO had until October 12, 2008 to obtain and deliver a firm commitment letter for the purchase price. By letter dated November 6, 2008, Properties, the owner of the real property underlying the Doswell travel plaza, sent a notice to TSO terminating the contract of sale. During the period July 12, 2008 through the termination of the contract of sale, TSO is obligated to pay the Company rent in the amount of $75,000 per month.

Note 7 - Intangible Assets

Intangible assets were comprised of the following:

	For theYear Ended June 30,							
	2008				2007			
	Weighted Average Remaining Useful Life (Yrs)	Carrying Amount	Accumulated Amortization	Net	Weighted Average Remaining Useful Life (Yrs)	Carrying Amount	Accumulated Amortization	Net
Customer lists	7.7	$ 1,308,025	$ 552,903	$ 755,122	8.3	$ 1,308,025	$ 464,374	$ 843,651
Website development costs	4.2	312,538	52,086	260,452	3.0	2,394,337	2,331,324	63,013
Franchise agreements	9.1	64,155	6,717	57,438	9.1	64,155	516	63,639
Option to purchase real estate	9.0	5,000,000	541,667	4,458,333	10.0	5,000,000	-	5,000,000
Total	8.6	$ 6,684,718	$ 1,153,373	$ 5,531,345	9.7	$ 8,766,517	$ 2,796,214	$ 5,970,303

The estimated amortization of customer lists, website development costs, franchise agreements and the option to purchase real estate for the five years ending June 30, 2013 and thereafter, is as follows:

For the years ending June 30,	Customer Lists	Website Development Costs	Franchise Agreements	Option to Purchase Real Estate	Total

2009	$ 88,530	$ 62,508	$ 6,200	$ 500,000	$ 657,238
2010	85,209	62,508	6,200	500,000	653,917
2011	84,545	62,508	6,200	500,000	653,253
2012	59,167	62,508	5,811	500,000	627,486
2013	46,478	10,420	4,595	500,000	561,493
Thereafter	391,193	-	28,432	1,958,333	2,377,958
	$ 755,122	$ 260,452	$ 57,438	$ 4,458,333	$ 5,531,345

Note 7 - Intangible Assets - continued

Information related to intangible assets for the years ended June 30, 2008 and 2007 is as follows:

	Twelve Months Ended June 30, 2008	2007
Balance-Beginning of year	$ 5,970,303	$ 326,658
Amounts capitalized	312,538	5,761,330
Amortization		