

January 25, 1999

Able's scheduled restructuring.

Able Telcom Holding Corp. (Symbol: ABTE) (Price: \$10.25) has been seeking a financing since April 1998. None has materialized. As a result, the company has defaulted on its debt. These defaults must be cured. There are reports that the holders of Able's Convertible Preferred will sell their position to a foreign financial institution. The new investor is alleged to have access to foreign business.

Able is incurring a 3% per month penalty on the Preferred. Able's Preferred related SEC filing registration has not been declared effective. This gives the Preferred holders the right to demand cash redemption at a 30% premium. Able does not have the funds to meet these obligations. This gives any Preferred holder a strong bargaining position versus Able's inability to cure its E-Z Pass and debt defaults.

Able's use of its MCI WorldCom service agreement and the State of New Jersey E-Z Pass contract to get vendor's to extend credit has created complications for those investors anticipating a Chapter 11 filing. This short-term disappointment combined with rampant take-over rumors and the misleading NYSTA \$43 million announcement may help explain the stock's rise but do not add value to Able's equity.

We await information about the alleged foreign investor and the announcement of Able's restructuring.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.