

January 12, 1999

Able's Deal Short and Misrepresented.

Able Telcom Holding Corp.'s (NASDAQ: ABTE) (Price: \$10.00) announced \$43 million fell below our published estimated net value of less than \$12 million for the sale of its remaining "fiber assets". The announced \$43 million value is before NYSTA's 50% interest and its obligation to pay MCI/Worldcom (NASDAQ: WCOM) \$8.5 million plus the greater of 50% of profits or 25% of certain proceeds. It also includes a low margin fiber installation fee, and may also include the gross value of a long term maintenance contract. All of which Able Telcom failed to disclose. The actual value to Able Telcom is far less than \$9 million and is subject to NYSTA's sole approval, the installation of the fiber, which could take over one year. It does not remotely alleviate the company's operating and cash flow problems related to its over \$70 million of debt defaults.

Yesterday's Able Telcom statement confirms three significant facts: The NYSTA transaction is the company's only "remaining duct capacity". Analyst's estimates of \$180 million and Able Telcom's own \$65.7 million estimates were gross exaggerations. And that Able Telcom issues statements claiming it has agreements and at the same time states that it is negotiations. This has occurred with MCI/Worldcom, the NYSTA, and the default of its bank, note holders and preferred obligations. The facts are Able Telcom did not pay any less for NT than agreed, NYSTA controls the conduit and it can not finance its business or get performance bonds while it is in default of its debts. The simple fact is that Able Telcom is losing money and has been seeking a financing since April of 1998 and failed, even in this robust financial environment. This clearly illustrates its low asset and cash flow value relative to its debts. We believe that Able Telcom's stock is not adequately reflecting the high probability that the company will lose its New Jersey contract and declare bankruptcy early in the first quarter. We eagerly awaited Able Telcom's Form 10K filing.

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.