January 20, 1999

Able's failure exposes New Jersey official.

Able Telcom Holding Corp. (NASDAQ: ABTE) (Price: $10.00) failed to deliver an operational Violations Processing Center by January 15, 1999 as required by the terms of the E-Z Pass Consortium's Notice of Default issued by Edward Gross, Executive Director of the New Jersey Turnpike Authority. The Notice states that Able has continuously failed to meet its obligations. Able is in default of its debts and a majority of MFS Network Technologies, Inc.'s managers have resigned. Mr. Gross has the right to call MCI/WorldCom's (NASDAQ: WCOM) performance bond or otherwise act to sever New Jersey's ties to Able. We believe that Mr. Gross, whose earlier neglect allowed Able to get control of the $500 million project while having no experience in electronic tolling or other rudimentary qualifications, will not be allowed to continue the harmful leniency that led Able to publicly ridicule his Notice of Default as "not uncommon".

Able announced the acquisition of MFS from MCI/WorldCom just 48 days after the Consortium awarded the E-Z Pass contract. We believe that Mr. Gross should have been aware of the proposed MFS sale and its clearly negative impact on MFS' ability to obtain financing, and retain and recruit personnel. In fact, shortly thereafter the readily predictable defaults and resignations occurred. This has severely harmed MFS' ability to meet its E-Z Pass obligations. Apparently, Mr. Gross observed the transfer of control of the E-Z Pass contract from MCI/WorldCom to Able, without obtaining any guarantees or concessions to protect the State of New Jersey.

Rumors persist of a pending takeover bid for Able shares. This rumor, and those of an imminent recap, have existed for nine months beginning when Able failed to finance its MFS acquisition. Able has lost key personnel. Able is a defendant in a securities fraud class action and numerous other lawsuits. It has unknown contractual liabilities and has over $100 million of receivables from uncompleted contracts with less than $21 million in net tangible worth. Able is incurring default penalties, including a 3% monthly expense on its preferred stock. Even assuming the most wildly positive E-Z Pass outcome, we find little or no equity value in excess of Able's debt, preferred and other liabilities.

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.

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