UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2015

☐ 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: 001-32998

Energy Services of America Corporation
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**20-4606266**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
75 West 3rd Ave., Huntington, West Virginia	**25701**
(Address of Principal Executive Office)	(Zip Code)

(304) 522-3868
(Registrant's Telephone Number Including Area Code)

Indicate by check mark whether the 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 twelve months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such requirements for the past 90 days. YES ☒ NO ☐.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐.

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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☐

Smaller Reporting Company ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

As of May 1, 2015, there were issued and outstanding 14,239,836 shares of the Registrant's Common Stock.

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ENERGY SERVICES OF AMERICA CORPORATION
CONSOLIDATED BALANCE SHEETS

Assets	March 31, 2015 (Unaudited)	September 30, 2014
Current assets		
Cash and cash equivalents	$ 4,806,517	$ 2,654,154
Accounts receivable-trade	9,701,628	14,544,399
Allowance for doubtful accounts	(147,922)	(158,487)
Retainages receivable	1,458,413	1,278,418
Other receivables	177,439	347,421
Costs and estimated earnings in excess of billings on uncompleted contracts	5,866,318	9,326,557
Deferred tax asset	2,364,215	3,329,920
Prepaid expenses and other	3,184,543	1,823,132
Assets of discontinued operations	1,742,993	1,234,550
Total Current Assets	29,154,144	34,380,064
Property, plant and equipment, at cost	32,344,322	30,287,192
less accumulated depreciation	(23,725,888)	(22,381,955)
Total fixed assets	8,618,434	7,905,237
Total assets	$ 37,772,578	$ 42,285,301
Liabilities and shareholders' equity		
Current liabilities		
Current maturities of long-term debt	$ 2,421,502	$ 2,538,461
Lines of credit and short term borrowings	1,291,063	760,132
Accounts payable	2,340,789	5,443,948
Accrued expenses and other current liabilities	3,367,461	3,485,042
Billings in excess of costs and estimated earnings on uncompleted contracts	441,367	723,161
Income tax payable	101,441	62,505
Liabilities of discontinued operations	176,282	387,227
Total current liabilities	10,139,905	13,400,476
Long-term debt, less current maturities	7,868,065	7,936,533
Deferred income taxes payable	1,794,436	2,480,016
Liabilities of discontinued operations	-	13,170
Total liabilities	19,802,406	23,830,195
Shareholders' equity		
Preferred stock, $.0001 par value		
Authorized 1,000,000 shares, 206 issued for March 31, 2015 and September 30, 2014	-	-
Common stock, $.0001 par value		
Authorized 50,000,000 shares		
14,839,836 issued and 14,239,836 outstanding for March 31, 2015 and September 30, 2014	1,484	1,484
Treasury stock, 600,000 shares at March 31, 2015 and September 30, 2014	(60)	(60)
Additional paid in capital	61,289,260	61,289,260
Retained earnings (deficit)	(43,320,512)	(42,835,578)
Total shareholders' equity	17,970,172	18,455,106
Total liabilities and shareholders' equity	$ 37,772,578	$ 42,285,301

The Accompanying Notes are an Integral Part of These Financial Statements

ENERGY SERVICES OF AMERICA CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Unaudited

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Six Months Ended March 31, 2015	Six Months Ended March 31, 2014
Revenue	$ 20,871,013	$ 14,044,424	$ 44,016,608	$ 39,094,834
Cost of revenues	19,571,371	12,579,984	40,666,603	35,454,063
Gross profit	1,299,642	1,464,440	3,350,005	3,640,771
Selling and administrative expenses	1,708,396	1,619,463	3,546,598	3,388,386
Income (loss) from operations	(408,754)	(155,023)	(196,593)	252,385
Other income (expense)				
Other nonoperating income	15,092	653	5,813	12,106
Interest expense	(155,977)	(106,586)	(342,133)	(460,867)
Gain on sale of equipment	83,490	21,240	95,393	21,240
	(57,395)	(84,693)	(240,927)	(427,521)
Loss from continuing operations before income taxes	(466,149)	(239,716)	(437,520)	(175,136)
Income tax benefit	(298,754)	(245,618)	(98,092)	(628,517)
Income (loss) from continuing operations	(167,395)	5,902	(339,428)	453,381
Dividends on preferred stock	77,250	77,250	154,500	231,750
Income (loss) from continuing operations available to common shareholders	(244,645)	(71,348)	(493,928)	221,631
Income (loss) from discontinued operations net of tax expense	(27,848)	(19,321)	8,994	1,121
Net income (loss) available to common shareholders	$ (272,493)	$ (90,669)	$ (484,934)	$ 222,752
Weighted average shares outstanding-basic	14,239,836	14,513,169	14,239,836	14,520,276
Weighted average shares-diluted	14,239,836	14,513,169	14,239,836	17,911,118
Earnings (loss) per share from continuing operations available to common shareholders	$ (0.017)	$ (0.005)	$ (0.035)	$ 0.015
Earnings (loss) per share from continuing operations-diluted available to common shareholders	$ (0.017)	$ (0.005)	$ (0.035)	$ 0.012
Earnings (loss) per share available to common shareholders	$ (0.019)	$ (0.006)	$ (0.034)	$ 0.015
Earnings (loss) per share-diluted available to common shareholders	$ (0.019)	$ (0.006)	$ (0.034)	$ 0.012

The Accompanying Notes are an Integral Part of These Financial Statements

ENERGY SERVICES OF AMERICA CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited

Cash flows from operating activities:	Six Months Ended March 31, 2015	Six Months Ended March 31, 2014
Net Income (loss) available to common shareholders	$ (484,934)	$ 222,752
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation expense	1,740,122	1,694,686
Gain on sale/disposal of equipment	(95,393)	(407)
Provision for deferred taxes	(245,747)	(662,894)
Decrease in contracts receivable	4,832,206	9,629,641
(Increase) decrease in retainage receivable	(179,995)	1,057,333
(Increase) decrease in other receivables	169,982	(89,356)
Decrease in cost and estimated earnings in excess of billings on uncompleted contracts	3,460,239	4,224,876
Increase in prepaid expenses	(1,361,411)	(1,277,697)
Decrease in accounts payable	(3,250,459)	(5,626,743)
Decrease in accrued expenses	(142,290)	(1,099,668)
Decrease in billings in excess of cost and estimated earnings on uncompleted contracts	(281,794)	(2,667,590)
Decrease in income taxes payable	-	(273,971)
Net cash provided by operating activities	4,160,526	5,130,962
Cash flows from investing activities:		
Investment in property & equipment	(1,180,260)	(588,044)
Proceeds from sales of property and equipment	131,203	156,240
Net cash used in investing activities	(1,049,057)	(431,804)
Cash flows from financing activities:		
Proceeds from private placement of preferred stock	-	249,998
Par value of stock issued to preferred shareholders	-	3
Treasury stock purchased by company	-	(30)
Borrowings on lines of credit and short term debt, net of (repayments)	530,931	(9,005,458)
Proceeds from long term debt	-	10,457,965
Principal payments on long term debt	(1,494,296)	(5,136,830)
Net cash used in financing activities	(963,365)	(3,434,352)
Increase in cash and cash equivalents	2,148,104	1,264,806
Cash beginning of period	2,672,268	6,339,882
Cash end of period	$ 4,820,372	$ 7,604,688
Supplemental schedule of noncash investing and financing activities:		
Purchases of property & equipment under financing agreements	$ 1,308,869	$ -
Insurance premiums financed	$ 2,349,760	$ 2,268,510
Supplemental disclosures of cash flows information:		
Cash paid during the year for:		
Interest	$ 342,133	$ 523,511
Income taxes	$ 138,868	$ 267,430
Insurance premiums	$ 1,068,829	$ 1,362,631
Dividends paid on preferred stock	$ 154,500	$ 128,050

The Accompanying Notes are an Integral Part of These Financial Statements

ENERGY SERVICES OF AMERICA CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended March 31, 2015 and 2014

	Common Stock		Additional Paid in Capital	Retained Earnings (deficit)	Treasury Stock	Total Shareholders' Equity
	Shares	Amount				
Balance at September 30, 2013	14,514,836	$ 1,481	$ 61,039,262	$ (46,097,525)	$ (30)	$ 14,943,188
Private placement of preferred stock	-	-	249,998	-	-	249,998
Common stock issued from private placement	25,000	3	-	-	-	3
Treasury stock purchased by company	(300,000)	-	-	-	(30)	(30)
Net Income available to common shareholders	-	-	-	222,752	-	222,752
Balance at March 31, 2014	14,239,836	$ 1,484	$ 61,289,260	$ (45,874,773)	$ (60)	$ 15,415,911
Balance at September 30, 2014	14,239,836	$ 1,484	$ 61,289,260	$ (42,835,578)	$ (60)	$ 18,455,106
Net loss available to common shareholders	-	-	-	(484,934)	-	(484,934)
Balance at March 31, 2015	14,239,836	$ 1,484	$ 61,289,260	$ (43,320,512)	$ (60)	$ 17,970,172

The Accompanying Notes are an Integral Part of These Financial Statements

ENERGY SERVICES OF AMERICA CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS AND ORGANIZATION:

Energy Services of America Corporation (the Company or Energy Services) was incorporated in Delaware on March 31, 2006 as a blank check company whose objective was to acquire an operating business or businesses. The Company operated as a blank check company until August 15, 2008. On that date, the Company acquired S.T. Pipeline, Inc. (S.T.) and C.J. Hughes Construction Company, Inc. (C.J. Hughes) with proceeds from the Company's Initial Public Offering. C. J. Hughes currently operates as the Company's sole wholly owned direct subsidiary.

S.T. was incorporated in May 1990 under the laws of the State of West Virginia and engaged in the construction of natural gas pipelines for utility companies in various states, mostly in the mid-Atlantic area of the country. On May 14, 2013, the Company liquidated the operation of S.T. and realized $1.9 million from the sale. The financial position and results of operations of S.T. have been presented as discontinued operations in the accompanying financial statements for all presented periods.

Wholly owned subsidiary C.J. Hughes is a general contractor primarily engaged in pipeline construction for utility companies operating primarily in the mid-Atlantic region of the United States. Nitro Electric Inc. (Nitro Electric), a wholly owned subsidiary of C. J. Hughes, is an electrical and mechanical contractor that provides its services to the power, chemical and automotive industries. Nitro Electric operates primarily in the mid-Atlantic region of the United States. Contractors Rental Corporation (Contractors Rental), a wholly owned subsidiary of C.J. Hughes, provides union building trade employees for projects managed by C.J. Hughes. All of the C.J. Hughes, Nitro Electric, and Contractors Rental production personnel are union members of various related construction trade unions and are subject to collective bargaining agreements that expire at varying time intervals.

The Company's stock trades under the symbol "ESOA" on the Over-the-Counter market.

Interim Financial Statements

The accompanying unaudited financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) and should be read in conjunction with the Company's audited financial statements and footnotes thereto for the years ended September 30, 2014 and 2013 included in the Company's Annual Report on Form 10-K filed with the SEC on December 18, 2014. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to the interim financial reporting rules and regulations of the SEC. The financial statements reflect all adjustments (consisting primarily of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the Company's financial position and results of operations. The operating results for the three and six month periods ended March 31, 2015, are not necessarily indicative of the results to be expected for the full year or any other interim period.

Principles of Consolidation

The consolidated financial statements of Energy Services include the accounts of Energy Services and its wholly owned subsidiary, C.J. Hughes and its subsidiaries, Nitro Electric and Contractors Rental. S.T. has been shown as discontinued operations for the three and six months ended March 31, 2015 and 2014. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless the context requires otherwise, references to Energy Services include Energy Services and C.J. Hughes.

Reclassifications

Certain reclassifications have been made in prior years' financial statements to conform to classifications used in the current year.

2. UNCOMPLETED CONTRACTS

Costs, estimated earnings, and billings on uncompleted contracts as of March 31, 2015 and September 30, 2014 are summarized as follows:

	March 31, 2015	September 30, 2014
Costs incurred on uncompleted contracts	$ 119,461,429	$ 114,771,991
Estimated earnings, net of estimated losses	10,485,158	10,765,989
	129,946,587	125,537,980
Less billing to date	124,521,636	116,934,584
	$ 5,424,951	$ 8,603,396
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 5,866,318	$ 9,326,557
Less billings in excess of costs and estimated earnings on uncompleted contracts	441,367	723,161
	$ 5,424,951	$ 8,603,396

Backlog at March 31, 2015 and September 30, 2014 was $55.0 million and $51.8 million, respectively.

3. CLAIMS

The Company does not have any claims recorded as of March 31, 2015. Claims receivable is a component of cost and estimated earnings in excess of billing.

4. FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures Topic* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements.

Under the FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

As noted above, there is a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 — Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2 — Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

Level 3 — Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying amount for borrowings under the Company's revolving credit facility approximates fair value because of the variable market interest rate charged to the Company for these borrowings. The fair value of the Company's long term fixed-rate debt to unrelated parties was estimated using a discounted cash flow analysis and a yield rate that was estimated based on the borrowing rates for bank loans with similar terms and maturities. The fair value of the aggregate principal amount of the Company's fixed-rate debt of $11.6 million at March 31, 2015 was $11.5 million.

The Company uses fair value measurements on a non-recurring basis in its assessment of goodwill and long-lived assets held and used. In accordance with its annual impairment test during the quarter ended September 30, 2012, the Company recorded a goodwill impairment charge of $36.9 million, which represented the entire amount of goodwill carried on the Company's balance sheet. Refer to Note 5, Goodwill and Intangible Assets, of the Company's Annual Report on Form 10-K for the year ended September 30, 2014 for further information.

5. DISCONTINUED OPERATIONS

Due to organizational changes and operating losses incurred in fiscal year 2012, the Company decided to discontinue the operations of its wholly owned subsidiary S.T. On May 14, 2013, the Company liquidated the operations of S.T. and realized $1.9 million from the sale.

The operating results for S.T. for the three and six months ended March 31, 2015 and 2014 are as follows:

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Six Months Ended March 31, 2015	Six Months Ended March 31, 2014
Revenue	-	(3,000)	-	(3,000)
Cost of revenues	-	(3,393)	-	(106,734)
Gross profit	-	393	-	103,734
Selling and administrative expenses	-	793	-	83,301
Income (loss) from discontinued operations	-	(400)	-	20,433
Other income (expense)				
Other nonoperating income (expense)	-	400	-	400
Loss on sale of equipment	-	-	-	(20,833)
	-	400	-	(20,433)
Income before income taxes	-	-	-	-
Income tax expense (benefit)	27,848	19,321	(8,994)	(1,121)
Net income (loss) from discontinued operations	$ (27,848)	$ (19,321)	$ 8,994	$ 1,121

The following table shows the components of assets and liabilities that are classified as discontinued operations in the Company's consolidated balance sheets at March 31, 2015 and at September 30, 2014.

	March 31, 2015	September 30, 2014
Cash	$ 13,855	$ 18,114
Deferred tax asset	1,729,138	1,216,436
Assets o f discontinued operations-current	1,742,993	1,234,550
Property, plant, and equipment, net	-	-
Total assets of discontinued operations	1,742,993	1,234,550
Accounts payable	256,659	403,959
Accrued expenses and other current liabilities	(80,377)	(16,732)
Liabilities of discontinued operations-current	176,282	387,227
Liabilities of discontinued operations-long term	-	13,170
Total liabilities of discontinued operations	176,282	400,397
Net assets	$ 1,566,711	$ 834,153

6. EARNINGS (LOSS) PER SHARE

The amounts used to compute the earnings (loss) per share for the three and six months ended March 31, 2015 and 2014 are summarized below.

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Six Months Ended March 31, 2015	Six Months Ended March 31, 2014
Income (loss) from continuting operations	$ (167,395)	$ 5,902	$ (339,428)	$ 453,381
Dividends on preferred stock	77,250	77,250	154,500	231,750
Income (loss) available to common shareholders-continuing operations	$ (244,645)	$ (71,348)	$ (493,928)	$ 221,631
Weighted average shares outstanding	14,239,836	14,513,169	14,239,836	14,520,276
Weighted average shares outstanding-diluted	14,239,836	14,513,169	14,239,836	17,911,118
Earnings (loss) per share from continuing operations available to common share holders	$ (0.017)	$ (0.005)	$ (0.035)	$ 0.015
Earnings (loss) per share from continuing operations available to common share holders-diluted	$ (0.017)	$ (0.005)	$ (0.035)	$ 0.012
Income (loss) from discontinued operations	$ (27,848)	$ (19,321)	$ 8,994	$ 1,121
Weighted average shares outstanding	14,239,836	14,513,169	14,239,836	14,520,276
Weighted average shares outstanding-diluted	14,239,836	14,513,169	14,239,836	17,911,118
Earnings (loss) per share from discontinued operations	$ (0.002)	$ (0.001)	$ 0.001	$ 0.000
Earnings (loss) per share from discontinued operations-diluted	$ (0.002)	$ (0.001)	$ 0.001	$ 0.000
Net income (loss) available to common shareholders	$ (195,243)	$ (13,419)	$ (330,434)	$ 454,502
Dividends on preferred stock	77,250	77,250	154,500	231,750
Net income (loss) available to common shareholders	$ (272,493)	$ (90,669)	$ (484,934)	$ 222,752
Earnings (loss) per share available to common shareholders	$ (0.019)	$ (0.006)	$ (0.034)	$ 0.015
Earnings (loss) per share available to common shareholders-diluted	$ (0.019)	$ (0.006)	$ (0.034)	$ 0.012

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of the financial condition and results of operations of Energy Services in conjunction with the "Financial Statements" appearing in this report as well as the historical financial statements and related notes contained elsewhere herein. Among other things, those historical consolidated financial statements include more detailed information regarding the basis of presentation for the following information. The term "Energy Services" refers to the Company, C.J. Hughes and its wholly-owned subsidiaries on a consolidated basis.

Forward Looking Statements

Within Energy Services' consolidated financial statements and this discussion and analysis of the financial condition and results of operations, there are included statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "project," "forecast," "may," "will," "should," "could," "expect," "believe," "intend" and other words of similar meaning.

These forward-looking statements are not guarantees of future performance and involve or rely on a number of risks, uncertainties, and assumptions that are difficult to predict or beyond Energy Services' control. Energy Services has based its forward-looking statements on management's beliefs and assumptions based on information available to management at the time the statements are made. Actual outcomes and results may differ materially from what is expressed, implied and forecasted by forward-looking statements and any or all of Energy Services' forward-looking statements may turn out to be wrong. The accuracy of such statements can be affected by inaccurate assumptions and by known or unknown risks and uncertainties.

All of the forward-looking statements, whether written or oral, are expressly qualified by these cautionary statements and any other cautionary statements that may accompany such forward-looking statements or that are otherwise included in this report. In addition, Energy Services does not undertake and expressly disclaims any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this report or otherwise.

Company Overview

Energy Services is engaged in providing contracting services for energy related companies. Currently Energy Services primarily services the gas, petroleum, power, chemical, and automotive industries though it does some other incidental work such as water and sewer projects. For the gas industry, the Company is primarily engaged in the construction, replacement and repair of natural gas pipelines and storage facilities for utility companies and private natural gas companies. Energy Services is involved in the construction of both interstate and intrastate pipelines, with an emphasis on the latter. For the oil industry, the Company provides a variety of services relating to pipeline, storage facilities and plant work. For the power, chemical, and automotive industries, the Company provides a full range of electrical and mechanical installations and repairs including substation and switchyard services, site preparation, equipment setting, pipe fabrication and installation, packaged buildings, transformers and other ancillary work with regards thereto. Energy Services' other services include liquid pipeline construction, pump station construction, production facility construction, water and sewer pipeline installations, various maintenance and repair services and other services related to pipeline construction. The majority of the Company's customers are located in West Virginia, Virginia, Ohio, Pennsylvania, and Kentucky. The Company builds, but does not own, natural gas pipelines for its customers that are part of both interstate and intrastate pipeline systems that move natural gas from producing regions to consumption regions as well as building and replacing gas line services to individual customers of the various utility companies.

Energy Services' customers include many of the leading companies in the industries it serves, including:

Columbia Gas Transmission
Columbia Gas Distribution
Marathon Petroleum
American Electric Power
Toyota Motor Manufacturing
Bayer Chemical
Dow Chemical
Kentucky American Water
Various state, county and municipal public service districts.

The Company enters into various types of contracts, including competitive unit price, cost-plus (or time and materials basis) and fixed price (lump sum) contracts. The terms of the contracts will vary from job to job and customer to customer though most contracts are on the basis of either unit pricing in which the Company agrees to do the work for a price per unit of work performed or for a fixed amount for the entire project. Most of the Company's projects are completed within one year of the start of the work. On occasion, the Company's customers will require the posting of performance and/or payment bonds upon execution of the contract, depending upon the nature of the work performed. The Company generally recognizes revenue on unit price and cost-plus contracts when units are completed or services are performed. Fixed price contracts usually result in recording revenues as work on the contract progresses on a percentage-of-completion basis. Under this accounting method, revenue is recognized based on the percentage of total costs incurred to date in proportion to total estimated costs at completion. Many contracts also include retention provisions under which a percentage of the contract price is withheld until the project is complete and has been accepted by the customer.

Energy Services' sales force consists of industry professionals with significant relevant sales experience, who utilize industry contacts and available public data to determine how to most appropriately market the Company's line of products. The Company relies on direct contact between its sales force and customers' engineering and contracting departments in order to obtain new business. Due to the occurrence of inclement weather during the winter months, certain parts of the Company business, i.e., the construction of pipelines, is somewhat seasonal in that most of the work is performed during the non-winter months.

Seasonality: Fluctuation of Results

Our revenues and results of operations can and usually are subject to seasonal variations. These variations are the result of weather, customer spending patterns, bidding seasons and holidays. The first quarter of the calendar year is typically the slowest in terms of revenues because inclement weather conditions causes delays in production and customers usually do not plan large projects during that time. While usually better than the first quarter, the second calendar year quarter often has some inclement weather which can cause delays in production, reducing the revenues the Company receives and/or increasing the production costs. The third and fourth calendar year quarters usually are less impacted by weather and usually have the largest number of projects underway. Many projects are completed in the fourth calendar year quarter and revenues are often impacted by customers seeking to either spend their capital budget for the year or scale back projects due to capital budget overruns.

In addition to the seasonal fluctuations discussed above, the pipeline industry can be highly cyclical, reflecting variances in capital expenditures in proportion to energy price fluctuations. As a result, our volume of business may be adversely affected by our customers' cyclical capital needs and access to capital to finance those needs. Accordingly, our operating results in any particular quarter or year may not be indicative of the results that can be expected for any other quarter or any other year.

Forbearance Agreement

On November 28, 2012, the Company entered into a Forbearance Agreement with United Bank, Inc.(West Virginia), Summit Community Bank (West Virginia), and First Guaranty Bank (Louisiana) related to our revolving line of credit and term debt as reported in the Company's November 29, 2012 Current Report on Form 8-K. The Forbearance Agreement, among other things, required the Company to close S.T. Pipeline and dispose of its assets. The Company was also required to prepare recommendations relating to the on-going operations of Nitro Electric, C.J. Hughes, and Contractors Rental, including refinancing, sale or liquidation of the companies by May 31, 2013.

On January 31, 2014, the Company entered into a financing arrangement ("Term Note") with United Bank, Inc. and Summit Community Bank. The financing arrangement is a five year term loan in the amount of $8.8 million. In addition, the Company entered into a separate five year term loan agreement with First Guaranty Bank for $1.6 million. Taken together, the $10.4 million in new financings supersede the prior financing arrangements the Company had with United Bank, Inc. and the other lenders. As a result of entering into the new financings, United Bank, Inc. and the other lenders of the Company agreed to terminate the pre-existing Forbearance Agreement with the Company. This was reported in the Company's February 4, 2014 Current Report on Form 8-K.

On February 27, 2015, the Company entered into a financing agreement ("Line of Credit" or "LOC") with United Bank, Inc. to provide the Company with a $10.0 million revolving line of credit. This financing agreement is in addition to the prior Term Note arrangement with United Bank and Summit Community Bank and was reported in the Company's March 3, 2015 Current Report on Form 8-K. The Company had not borrowed against the Line of Credit as of March 31, 2015. The agreement replaced the $5.0 million revolving line of credit entered into with United Bank, Inc. on May 30, 2014.

Second Quarter Overview

The following is an overview of results from operations for the three and six months ended March 31, 2015 and 2014.

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Six Months Ended March 31, 2015	Six Months Ended March 31, 2014
Continuing Operations				
Revenue	$ 20,871,013	$ 14,044,424	$ 44,016,608	$ 39,094,834
Cost of revenues	19,571,371	12,579,984	40,666,603	35,454,063
Gross profit	1,299,642	1,464,440	3,350,005	3,640,771
Selling & administrative expenses	1,708,396	1,619,463	3,546,598	3,388,386
Income (loss) from operations	(408,754)	(155,023)	(196,593)	252,385
Other expense	(57,395)	(84,693)	(240,927)	(427,521)
Income (loss) before income tax	(466,149)	(239,716)	(437,520)	(175,136)
Income tax benefit	(298,754)	(245,618)	(98,092)	(628,517)
Net income (loss) from continuing operations	(167,395)	5,902	(339,428)	453,381
Dividends on preferred stock	77,250	77,250	154,500	231,750
Net income (loss) from continuing operations available to common shareholders	$ (244,645)	$ (71,348)	$ (493,928)	$ 221,631
Discontinued Operations				
Revenue	$ -	$ (3,000)	$ -	$ (3,000)
Cost of revenues	-	(3,393)	-	(106,734)
Gross profit	-	393	-	103,734
Selling & administrative expenses	-	793	-	83,301
Income (loss) from operations	-	(400)	-	20,433
Other income (expense)	-	400	-	(20,433)
Income before income tax	-	-	-	-
Income tax expense (benefit)	27,848	19,321	(8,994)	(1,121)
Net income (loss) from discontinued operations	$ (27,848)	$ (19,321)	$ 8,994	$ 1,121

Three and Six Months Ended March 31, 2015 and 2014 Comparison

Revenues. Total revenues from continuing operations increased by $6.8 million or 48.6% to $20.9 million for the three months ended March 31, 2015 from $14.0 million for the same period in 2014. Total revenues from continuing operations increased by $4.9 million or 12.6% to $44.0 million for the six months ended March 31, 2015 from $39.1 million for the same period in 2014. The increase was primarily attributable to more natural gas transmission projects in progress during the quarter ended March 31, 2015. The Company had no revenue from discontinued operations for the three and six months ended March 31, 2015 and a $3,000 negative revenue adjustment for the three and six months ended March 31, 2014.

Cost of Revenues. Total costs of revenues from continuing operations increased by $7.0 million or 55.6% to $19.6 million for the three months ended March 31, 2015 from $12.6 million for the same period in 2014. Total costs of revenues from continuing operations increased by $5.2 million or 14.7% to $40.7 million for the six months ended March 31, 201, from $35.5 million for the same period in 2014. The increase was primarily attributable to more natural gas transmission projects in progress during the quarter ended March 31, 2015. There were no cost of revenues from discontinued operations for the three and six months ended March 31, 2015. Cost of revenues from discontinued operations for the three and six months ended March 31, 2014, which totaled ($3,400) and ($103,000) respectively, were accrued as direct costs as of September 30, 2013 but charged as selling and administrative expense for the three and six months ended March 31, 2014.

Gross Profit. Total gross profit from continuing operations decreased by $165,000 or 11.3% to $1.3 million for the three months ended March 31, 2015, compared to $1.5 million for the same period in 2014. Total gross profit from continuing operations decreased by $291,000 or 8.0% to $3.4 million for the six months ended March 31, 2015, compared to $3.6 million for the same period in 2014. This decrease was due to reduced profit margins caused by inclement weather for ongoing transmission projects during the quarter ended March 31, 2015, and the recognition of higher than expected profits for several transmission projects that finished during the quarter ended March 31, 2014. There were no gross profits from discontinued operations for the three and six months ended March 31, 2015. Gross profits from discontinued operations for the three and six months ended March 31, 2014 were due to the reclassification of costs described above.

Selling and administrative expenses. Total selling and administrative expenses from continuing operations increased by $89,000 or 5.5% to $1.7 million for the three months ended March 31, 2015, compared to $1.6 million for the same period ended in 2014. Total selling and administrative expenses from continuing operations increased by $158,000 or 4.7% to $3.5 million for the six months ended March 31, 2015 compared to $3.4 million for the same period ended in 2014. These increases were due to additional sales and estimating efforts in order to secure additional customers and projects. There were no selling and administrative expenses for discontinued operations for the three and six months ended March 31, 2015. The $1,000 and $83,000 in selling and administrative expenses for discontinued operations for the three and six months ended March 31, 2014, respectively, were in part due to a reclassification of costs related to non-project liabilities accrued as direct project costs as of September 30, 2013. The Company believes that any ongoing costs associated with closing discontinued operations will be immaterial.

Interest Expense. Interest expense increased by $49,000 or 46.3% to $156,000 for the three months ended March 31, 2015 from $107,000 for the same period ended in 2014. This was due to a reclassification entry that occurred in March 2014 to correct dividend distributions that were incorrectly recorded as interest expense in the first quarter of 2014. Interest expense decreased by $119,000 or 25.7% to $342,000 for the six months ended March 31, 2015, from $461,000 for the same period ended in 2014. The decrease was primarily due to the decrease of debt owed to our lenders.

Net Income (Loss). Net loss from continuing operations available to common shareholders was $245,000 for the three months ended March 31, 2015, compared to net loss available to common shareholders of $71,000 for the same period in 2014. Net loss from continuing operations available to common shareholders was $494,000 for the six months ended March 31, 2015 compared to net income available to common shareholders of $222,000 for the same period in 2014. Income tax benefit for the three months ended March 31, 2015 was $298,000 compared to $246,000 for the same period ended in 2014. Income tax benefit for the six months ended March 31, 2015 was $98,000 compared to income tax benefit of $629,000 for the same period ended in 2014. The higher tax benefit percentages for the three and six months ended March 31, 2014 compared to the same periods ended in 2015 were due mainly to the reversal of a valuation adjustment related to federal net operating loss carry-forwards in fiscal year 2014. The net loss from discontinued operations for the three months ended March 31, 2015, was $28,000 compared to a net loss of $19,000 for the same period in 2014. The net income from discontinued operations for the six months ended March 31, 2015, was $9,000 compared to a net income of $1,000 for the same period in 2014.

Comparison of Financial Condition

The Company had total assets of $37.8 million at March 31, 2015, a decrease of $4.5 million from the prior fiscal year end balance of $42.3 million. Some primary components of the balance sheet were accounts receivable which totaled $9.7 million at March 31, 2015, a decrease of $4.8 million from the prior year end balance of $14.5 million, retainages receivable of $1.5 million, an increase of $180,000 from the prior year end balance of $1.3 million, and estimated earnings in excess of billings of $5.9 million, a decrease of $3.5 million from the prior year end balance of $9.3 million. Other major categories of assets at March 31, 2015 included cash and cash equivalents of $4.8 million, an increase of $2.2 million from the prior year end balance of $2.7 million, as well as net fixed assets of $8.6 million, an increase of $713,000 from prior year end balance of $7.9 million.

The Company had total liabilities of $19.8 million at March 31, 2015, a decrease of $4.0 million from the prior year end balance of $23.8 million. Current maturities of long-term debt totaled $2.4 million, a decrease of $117,000 from the prior year end balance of $2.5 million. Lines of credit and short term borrowings totaled $1.3 million, an increase of $531,000 from the prior year end balance of $760,000. In total, short-term debt at March 31, 2015 was $3.7 million, an increase of $414,000 from the prior year end balance of $3.3 million. Long term debt totaled $7.9 million at March 31, 2015, a decrease of $68,000 from the prior year end balance of $7.9 million. Accounts payable and accrued expenses totaled $5.7 million, a decrease of $3.2 million from the prior year end balance of $8.9 million. Stockholders' equity was $18.0 million at March 31, 2015, a decrease of $484,000 from the prior year end balance of $18.5 million. This decrease was due to the net loss of $330,000 for the six months ended March 31, 2015 and $154,000 for dividends paid on preferred stock during the same time period.

Liquidity and Capital Resources

Indebtedness

On January 31, 2014, the Company entered into a financing arrangement ("Term Note") with United Bank, Inc. (West Virginia) and Summit Community Bank (West Virginia). The financing arrangement is a five year term loan in the amount of $8.8 million and bears interest at an annual rate of 6.50%. In addition, the Company entered into a separate five year term loan agreement with First Guaranty Bank (Louisiana) for $1.6 million that bears interest at an annual rate of 3.55%. Taken together, the $10.4 million in new financings supersedes the prior financing arrangements the Company had with United Bank as well as the other lenders. As a result of entering into the new financings, United Bank and the other lenders of the Company agreed to terminate a pre-existing Forbearance Agreement with the Company. This was reported in the Company's February 4, 2014 Current Report on Form 8-K.

Under the terms of the new financing agreement dated January 31, 2014, the Company must meet the following loan covenants:

1. Minimum tangible net worth ("TNW") of $10.0 million to be measured quarterly
2. Minimum traditional debt service coverage of 1.50x to be measured quarterly on a rolling twelve month basis
3. Minimum current ratio of 1.30x to be measured quarterly
4. Maximum debt to TNW ratio to be measured semi-annually on the following basis:

Date	Debt to TNW
6/30/2014	2.50x
12/31/2014	2.25x
6/30/2015	2.00x
12/31/2015	1.75x
6/30/2016	1.50x
Thereafter	1.50x

On July 31, 2014, the bank group modified the calculation of the debt service coverage covenant in the loan agreement so that the Company is required to maintain a minimum debt service coverage ratio of no less than 1.50 to 1.0 tested quarterly, as of the end of each fiscal quarter, based upon the preceding four quarters. Debt service coverage will be defined as the ratio of cash flow (net income plus depreciation, amortization and interest expense, plus or minus one-time/non-recurring income and expenses (determined at the bank group's sole discretion)) divided by the annualized debt service requirements on the Company's senior secured term debt (post refinance), actual interest paid on the Company's senior secured revolving credit facility and the annualized payments on any other debt outstanding.

The Company is in compliance with all loan covenants as of March 31, 2015.

Line of Credit

On February 27, 2015, the Company entered into a financing agreement ("Line of Credit" or "LOC") with United Bank, Inc. to provide the Company with a $10.0 million revolving line of credit. This financing agreement is in addition to the prior Term Note arrangement with United Bank and Summit Community Bank. This was reported in the Company's March 3, 2015 Current Report on Form 8-K.

The LOC is subject to the terms of the January 31, 2014 Term Note agreement discussed above. Interest on the LOC, which expires on February 27, 2016, is 6.0%. Cash available under the line is calculated based on a percentage of the Company's accounts receivable with certain exclusions. Major items excluded from the calculation are certain percentages of receivables from bonded jobs and retainage as well as items greater than one hundred twenty (120) days old. At March 31, 2015, the Company did not have any outstanding borrowings on the LOC.

Off-Balance Sheet Arrangements

Due to the nature of our industry, we often enter into certain off-balance sheet arrangements in the ordinary course of business that result in risks not directly reflected in our balance sheets. Though for the most part not material in nature, some of these are:

Leases

Our work often requires us to lease various facilities, equipment and vehicles. These leases usually are short term in nature, with a duration of one year or less, though at times we may enter into longer term leases when warranted. By leasing equipment, vehicles and facilities, we are able to reduce our capital outlay requirements for equipment vehicles and facilities that we may only need for short periods of time. The Company rents shop space from an independent lessor for $12,450 monthly and the lease expires in December 2018.

Letters of Credit

Certain of our customers or vendors may require letters of credit to secure payments that the vendors are making on our behalf or to secure payments to subcontractors and vendors on various customer projects. At March 31, 2015, the Company had a letter of credit outstanding in the amount of $953,340 to cover a deposit required by its captive insurance program. The Company also had a $1.3 million letter of credit from a local bank outstanding at September 30, 2014, to cover a project that required a bond prior to the Company securing a bonding line with its current surety company. This project was completed and the letter of credit released in October 2014.

Performance Bonds

Some customers, particularly new ones or governmental agencies, require the Company to post bid bonds, performance bonds and payment bonds (collectively, performance bonds). These bonds are obtained through insurance carriers and guarantee to the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. If the Company fails to perform under a contract or to pay subcontractors and vendors, the customer may demand that the insurer make payments or provide services under the bond. The Company must reimburse the insurer for any expenses or outlays it is required to make.

In February 2014, the Company entered into an agreement with a surety company to provide bonding which will suit the Company's immediate needs. The ability to obtain bonding for future contracts is an important factor in the contracting industry with respect to the type and amount of contracts that can be bid.

Depending upon the size and conditions of a particular contract, the Company may be required to post letters of credit or other collateral in favor of the insurer. Posting of these letters or other collateral will reduce our borrowing capabilities. The Company does not anticipate any claims in the foreseeable future. At March 31, 2015, the Company had $29.4 million in performance bonds outstanding.

Concentration of Credit Risk

In the ordinary course of business the Company grants credit under normal payment terms, generally without collateral, to our customers, which include natural gas and oil companies, general contractors, and various commercial and industrial customers located within the United States. Consequently, the Company is subject to potential credit risk related to business and economic factors that would affect these companies. However, the Company generally has certain statutory lien rights with respect to services provided. Under certain circumstances such as foreclosure, the Company may take title to the underlying assets in lieu of cash in settlement of receivables. The Company had three customers that exceeded 10% of revenues or receivables for the six months ended March 31, 2015. The three customers represented 45.4% of revenues and 38.6% of accounts receivable at March 31, 2015. These customers include: Marathon Petroleum, Rice Energy, and Dow Chemical.

Litigation

The Company is a party from time to time to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract and/or property damages, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to all such lawsuits, claims, and proceedings, we record reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that any of these proceedings, separately or in aggregate, would be expected to have a material adverse effect on our financial position, results of operations or cash flows.

Related Party Transactions

We intend that all transactions between us and our executive officers, directors, holders of 10% or more of the shares of any class of our common stock and affiliates thereof, will be on terms no less favorable than those terms given to unaffiliated third parties and will be approved by a majority of our independent outside directors not having any interest in the transaction.

We have an outstanding loan with a principal balance of $1.3 million as of March 31, 2015, from First Guaranty Bank, Hammond, Louisiana. Mr. Marshall Reynolds is the Chairman of the Board of Directors of First Guaranty Bank and owns greater than 10% of the common stock of First Guaranty Bank's holding company, First Guaranty Bancshares, Inc. In addition, Messrs. Douglas Reynolds and Jack Reynolds, the sons of Marshall Reynolds, are also significant stockholders of First Guaranty Bancshares, Inc. The largest aggregate amount of principal outstanding of the loan since the beginning of fiscal 2014 was $1,644,690. As of March 31, 2015, we have paid approximately $358,000 in principal and approximately $61,000 in interest since the beginning of fiscal 2014 on the loan. The interest rate on the loan is 3.55%. Other than as disclosed above, there were no other transactions.

Inflation

Due to relatively low levels of inflation during the three months ended March 31, 2015 and 2014, inflation did not have a significant effect on our results.

Critical Accounting Policies

The discussion and analysis of the Company's financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. We evaluate our estimates on an ongoing basis, based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. There can be no assurance that actual results will not differ from those estimates. Management believes the following accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Claims. Claims are amounts in excess of the agreed contract price that a contractor seeks to collect from customers or others for customer-caused delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved as to both scope and price, or other causes of unanticipated additional costs. The Company records revenue on claims that have a high probability of success. Revenue from a claim is recorded only to the extent that contract costs relating to the claim have been incurred.

Revenue Recognition. Revenues from fixed price contracts are recognized using the percentage-of-completion method, measured by the percentage of costs incurred to date of total estimated costs at completion. These contracts provide for a fixed amount of revenues for the entire project. Such contracts provide that the customer accept completion of progress to date and compensate us for services rendered, measured in terms of units installed, hours expended or some other measure of progress. Contract costs include all direct material, labor and subcontract costs and indirect costs related to contract performance, such as indirect labor, tools and expendables. The cost estimates are based on the professional knowledge and experience of the Company's engineers, project managers and financial professionals. Changes in job performance and job conditions affect the total estimated costs at completion. The effects of these changes are recognized in the period in which they occur. Provisions for the total estimated losses on uncompleted contracts are made in the period in which such losses are determined. The current asset "Costs and estimated earnings in excess of billings on uncompleted contracts" represents revenues recognized in excess of amounts billed for fixed price contracts. The current liability "Billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of revenues recognized for fixed price contracts. Revenues on all costs plus and time and material contracts are recognized when services are performed or when units are completed.

Self Insurance. The Company carries workers' compensation, general liability and auto insurance through a captive insurance company. While the Company believes that this arrangement has been beneficial in reducing and stabilizing insurance costs, the Company does have to maintain a restricted cash account to guarantee payments of premiums. That restricted account had a balance of $1.0 million as of March 31, 2015. Should the Company experience severe losses over an extended period, it could have a detrimental effect on the Company, notwithstanding the captive insurance company.

Accounts Receivable and Provision for Doubtful Accounts . The Company provides an allowance for doubtful accounts when collection of an account is considered doubtful. Inherent in the assessment of the allowance for doubtful accounts are certain judgments and estimates relating to factors such as a customer's access to capital, the customer's willingness or ability to pay, general economic conditions and the ongoing relationship with the customer. While most of our customers are large well capitalized companies, should they experience material changes in their revenues and cash flows or incur other difficulties and become unable to pay the amounts owed, this could cause reduced cash flows and losses in excess of our current reserves. At March 31, 2015, management concluded that the allowance for doubtful accounts was adequate.

Outlook

The following statements are based on current expectations. These statements are forward looking, and actual results may differ materially.

On January 31, 2014, the Company entered into a financing arrangement with United Bank, Inc. (West Virginia) and Summit Community Bank (West Virginia). The amount of the financing arrangement is for $8.8 million. In addition, the Company entered into a separate loan arrangement with First Guaranty Bank (Louisiana) for $1.6 million. Taken together, the $10.4 million in new financings supersede the prior financing arrangements the Company had with United Bank as well as the other lenders. As a result of entering into the new financings, United Bank and the other lenders of the Company agreed to terminate the pre-existing Forbearance Agreement with the Company.

The Company prepares weekly cash forecasts for our own benefit and for submission to our lenders. We anticipate that our current cash and the cash to be generated from collection of our receivable along with the existing line of credit will be adequate to meet our cash needs for Company's fiscal year. The Company may borrow against the line of credit provided it meets certain borrowing base requirements, with $10.0 million being the maximum allowed. If the Company has borrowed more than the borrowing base allows, the Company must repay the excess borrowings to United Bank, Inc.

Prior to the general economic crisis in 2009, our customers were experiencing high demand for their products, particularly natural gas. Currently, the Company is experiencing increased demand for its services and accordingly, the Company would expect to see projected spending for our customers on their transmission and distribution systems increasing dramatically over the next few years. However, with potential uncertainty in the economy, for example a long term reduction in the price of oil, the demand for our customer's projects could wane and also their ability to fund planned projects could be reduced. The Company's backlog at March 31, 2015 was $55.0 million and while adding additional business projects appears likely, no assurances can be given that the Company will be successful in bidding on projects that become available. Moreover, even if the Company obtains contracts, there can be no guarantee that the projects will go forward.

ITEM 4. Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that Energy Services of America Corporation files or submits under the Securities Exchange Act of 1934, is (1) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management including our Chief Executive Officer, as appropriate to allow timely decisions regarding required disclosure.

There has been no change in Energy Services of America Corporation's internal control over financial reporting during Energy Services of America Corporation's second quarter of fiscal year 2015 that has materially affected, or is reasonably likely to materially affect, Energy Services of America Corporation's internal control over financial reporting.

PART II

OTHER INFORMATION

ITEM 1. Legal Proceedings

The Company is a party from time to time to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract and/or property damages, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to all such lawsuits, claims, and proceedings, we record reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. We do not believe that any of these proceedings, separately or in aggregate, would be expected to have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 1A. Risk Factors

Please see the information disclosed in the "Risk Factors" section of our Annual Report on Form 10-K as filed with the Securities and Exchange Commission on December 18, 2014. There have been no material changes to the risk factors since the filing of the Annual Report on Form 10-K.

ITEM 2. **Unregistered Sales of Equity Securities and Use of Proceeds**.

(a) There have been no unregistered sales of equity securities during the periods covered by the report.

(b) None.

(c) Energy Services of America Corporation did not repurchase any shares of its common stock during the relevant period.

ITEM 6. Exhibits

31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERGY SERVICES OF AMERICA CORPORATION

Date: May 11, 2015

By: /s/ Douglas V. Reynolds
Douglas V. Reynolds
Chief Executive Officer

Date: May 11, 2015

By: /s/ Charles P. Crimmel
Charles P. Crimmel
Chief Financial Officer

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Douglas V. Reynolds, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Energy Services of America Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2015

/s/ Douglas V. Reynolds
Douglas V. Reynolds
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Charles P. Crimmel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Energy Services of America Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2015

/s/ Charles P. Crimmel
Charles P. Crimmel
Chief Financial Officer

Exhibit 32

Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Douglas V. Reynolds, Chief Executive Officer and Charles P. Crimmel, Chief Financial Officer of Energy Services of America Corporation (the "Company") each certify in their capacity as officers of the Company that they have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, and that to the best of their knowledge:

1. the report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2015

/s/ Douglas V. Reynolds
Douglas V. Reynolds
Chief Executive Officer

Date: May 11, 2015

/s/ Charles P. Crimmel
Charles P. Crimmel
Chief Financial Officer