

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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1. Name and Address of Reporting Person* GRACE BROTHERS LTD (Last) (First) (Middle) 1560 SHERMAN AVE SUITE 900 (Street) EVANSTON IL 60201 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol ULTRALIFE BATTERIES INC [ULBI]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 09/22/2005	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	09/22/2005		P		700	A	\$10.08	1,443,425	D	
Common Stock	09/22/2005		P		4,091	A	\$10.1	1,447,516	D	
Common Stock	09/22/2005		P		3,300	A	\$10.11	1,450,816	D	
Common Stock	09/22/2005		P		1,300	A	\$10.12	1,452,116	D	
Common Stock	09/22/2005		P		4,500	A	\$10.13	1,456,616	D	
Common Stock	09/22/2005		P		4,254	A	\$10.14	1,460,870	D	
Common Stock	09/22/2005		P		17,550	A	\$10.15	1,478,420	D	
Common Stock	09/22/2005		P		4,730	A	\$10.16	1,483,150	D	
Common Stock	09/22/2005		P		14,654	A	\$10.17	1,497,804	D	
Common Stock	09/22/2005		P		11,700	A	\$10.18	1,509,504	D	
Common Stock	09/22/2005		P		5,500	A	\$10.19	1,515,004	D	
Common Stock	09/22/2005		P		23,851	A	\$10.2	1,538,855	D	
Common Stock	09/22/2005		P		8,578	A	\$10.21	1,547,433	D	
Common Stock	09/22/2005		P		8,471	A	\$10.22	1,555,904	D	
Common Stock	09/22/2005		P		8,049	A	\$10.23	1,563,953	D	
Common Stock	09/22/2005		P		5,060	A	\$10.24	1,569,013	D	
Common Stock	09/22/2005		P		9,049	A	\$10.25	1,578,062	D	
Common Stock	09/22/2005		P		4,000	A	\$10.26	1,582,062	D	
Common Stock	09/22/2005		P		2,035	A	\$10.27	1,584,097	D	
Common Stock	09/22/2005		P		975	A	\$10.28	1,585,072	D	
Common Stock	09/22/2005		P		8,500	A	\$10.29	1,593,572	D	
Common Stock	09/22/2005		P		25,600	A	\$10.3	1,619,172	D	
Common Stock	09/22/2005		P		5,962	A	\$10.31	1,625,134	D	
Common Stock	09/22/2005		P		7,010	A	\$10.32	1,632,144	D	
Common Stock	09/22/2005		P		3,200	A	\$10.33	1,635,344	D	
Common Stock	09/22/2005		P		6,000	A	\$10.34	1,641,344	D	
Common Stock	09/22/2005		P		15,400	A	\$10.35	1,656,744	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
Explanation of Responses:											

Bradford T. Whitmore, General
Partner
09/22/2005

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.