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Ultralife Corporation Awarded \$2.4 Million by NYSERDA for Advanced Energy Storage System

Ultralife's Energy Storage System to Link Lithium Ion Battery and Ultracapacitor Technologies with Wind and Solar Energy Systems

NEWARK, N.Y., Mar 23, 2010 (BUSINESS WIRE) -- Ultralife Corporation (NASDAQ: ULBI) has been awarded approximately \$2.4 million by The New York State Energy Research and Development Authority (NYSERDA) for the design, development, prototyping, scale-up and installation of a 1 megawatt-hour lithium ion energy storage system on Ultralife's Newark, New York corporate campus. The system will integrate lithium ion batteries, ultracapacitors and renewable-energy generation sources, including wind and solar. Integrated with the Smart Grid, the Ultralife system will intelligently manage energy for consumption or storage.

Ultralife's system will initially integrate two distinct power storage technologies, including a battery and ultracapacitor, on a distributed "off-grid" level, and then expand the system's capability for on-grid integration. The system will allow both grid operators and renewable energy generators to optimize energy management through an advanced computerized monitoring and control system, which will enable these customers to control the storage and flow of power generated. The energy, environmental and economic benefits to New York State include a New York manufactured product, which will facilitate the creation of additional distributed renewable energy capability.

Ultralife received the award from NYSERDA to support the work of the New York Battery and Energy Storage Consortium (NY-BEST), an industry-focused coalition working to facilitate and enhance development and accelerate commercialization of energy storage technologies in New York State.

A significant amount of renewable power, particularly wind power, which is already being generated in New York, is wasted due to lack of storage options, and the inability to distribute this power during peak demands. In addition, the inability to store and control wind and solar generated power by utilities has discouraged development of utility-scale renewable facilities in grid congested areas of New York State.

"We are extremely pleased to receive this award, and would like to express our appreciation to NYSERDA and NY-BEST for their support and recognition of the potential value of the innovative energy storage system that we are developing," said John D. Kavazanjian, Ultralife's president and chief executive officer. "We are looking forward to finalizing the project details with NYSERDA in the near future such that we can soon initiate activities under this important industry-led partnership. This project will further advance our strategy of introducing lithium ion energy storage systems and services, integrating energy monitoring, management technologies and services, linking lithium ion batteries to more renewable energy solutions for grid efficiency and deploying solar power solutions for remote, portable and stationary power applications."

Francis J. Murray, NYSERDA president and CEO, said, "I am proud that NYSERDA is working with Ultralife to move forward with this energy storage initiative. Developing more advanced energy storage technologies like this one is essential for us to achieve substantial reductions in our greenhouse gas emissions and to increase our use of renewable energy sources. Ultralife's work will help meet our energy needs today and create jobs in the clean energy economy for the future."

New York State Senator Mike Nozzolio (54th Senate District) commenting on the award said, "For many years, it has been my privilege to work with Ultralife to support their efforts to develop a strong and viable business in Wayne County. As part of their advanced energy storage system development and commercialization efforts, Ultralife plans to work with some of our top universities - Rochester Institute of Technology and Rensselaer Polytechnic Institute - on mechanical design and advancement of the system electronics to enhance performance and tailor its technology to the markets identified in its commercialization plan. Ultralife also plans to partner with numerous New York businesses for use of their products and services to develop and launch this important technology. This is exactly the kind of New York-based collaborative team effort needed to promote business growth and create jobs in New York State."

Ultralife will organize and lead a collaborative team composed of partners including academic institutions, industrial and consulting businesses to develop the system. This multiphase, multiyear project will provide the resources necessary to allow Ultralife and its team members to prove that a New York manufactured energy storage and management system can cost effectively, and efficiently, store and manage power generated from any source for use at optimal peak times.

About Ultralife Corporation

Ultralife Corporation, which began as a battery company, serves its markets with products and services ranging from portable and standby power solutions to communications and electronics systems. Through its engineering and collaborative approach to problem solving, Ultralife serves government, defense and commercial customers across the globe.

Ultralife's family of brands includes: Ultralife Batteries, Stationary Power Services, RPS Power Systems, ABLE, McDowell Research, RedBlack Communications and AMTI. Ultralife's operations are in North America, Europe and Asia. For more information, visit www.ultralifecorp.com.

This press release may contain forward-looking statements based on current expectations that involve a number of risks and uncertainties. The potential risks and uncertainties that could cause actual results to differ materially include: worsening global economic conditions, increased competitive environment and pricing pressures, and the possibility of intangible asset impairment charges that may be taken should management decide to retire one or more of the brands of acquired companies. The Company cautions investors not to place undue reliance on forward-looking statements, which reflect the Company's analysis only as of today's date. The Company undertakes no obligation to publicly update forward-looking statements to reflect subsequent events or circumstances. Further information on these factors and other factors that could affect Ultralife's financial results is included in Ultralife's Securities and Exchange Commission (SEC) filings, including the latest Annual Report on Form 10-K.

SOURCE: Ultralife Corporation

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