

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to
Section 13 or 15(d) of the Securities Exchange Act of 1934

May 22, 2006
(Date of Report)

ULTRALIFE BATTERIES, INC.
(Exact name of registrant as specified in its charter)

Delaware (State of incorporation)	000-20852 (Commission File Number)	16-1387013 (IRS Employer Identification No.)
2000 Technology Parkway, Newark, New York (Address of principal executive offices)		14513 (Zip Code)
	(315) 332-7100 (Registrant's telephone number, including area code)	

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.02 Unregistered Sales of Equity Securities.

On May 22, 2006, Ultralife Batteries, Inc. (the "Registrant") issued 96,247 shares of its common stock and five-year warrants to purchase a further 100,000 shares of its common stock to Huang Deyong, Li Xiaochun and Zhu Dehong (together, the "Sellers") in connection with the closing of the Registrant's acquisition of all the outstanding shares of Able New Energy Co., Ltd., a manufacturer of lithium batteries located in Shenzhen, China, for an aggregate purchase price of approximately \$4,200,000, which included approximately \$2,500,000 in cash, of which \$500,000 is contingent upon the achievement of certain performance milestones. The exercise price of the warrants issued to the Sellers is \$12.30 per share, which was the closing price per share of the Registrant's common stock on January 25, 2006, the date the parties executed the purchase agreement for the acquisition of Able New Energy Co., Ltd.

The Registrant issued its common stock and warrants to the Sellers without registration under Section 5 of the Securities Act of 1933 in reliance on the exemption from registration contained in Section 4(2) of the Securities Act. Section 4(2) of the Securities Act exempts from registration "transactions by an issuer not involving any public offering." To qualify for this exemption, the purchasers of the securities must (1) have enough knowledge and experience in finance and business matters to evaluate the risks and merits of the investment or be able to bear the investment's economic risk, (2) have access to the type of information normally provided in a prospectus and (3) agree not to resell or distribute the securities to the public absent an effective registration statement. In addition, the Registrant cannot use any form of public solicitation or general advertising in connection with the offering.

The Registrant believes that all of the requirements to qualify to use the exemption from registration contained in Section 4(2) of the Securities Act have been satisfied in connection with the issuance of its common stock and warrants to the Sellers. Specifically, (1) the Registrant has determined that the Sellers, together with their advisors, are knowledgeable and experienced in finance and business matters and thus are able to evaluate the risks and merits of acquiring the Registrant's common stock; (2) the Sellers have advised the Registrant that they are able to bear the economic risk of acquiring the common stock; (3) the Registrant has provided the Sellers with access to the type of information normally provided in a prospectus; (4) the Sellers have agreed not to resell or distribute the securities to the public except as permitted by the federal securities laws; and (5) the Registrant did not use any form of public solicitation or general advertising in connection with the offering.

Item 8.01 Other Events.

On May 22, 2006, the Registrant completed its acquisition of all the outstanding shares of Able New Energy Co., Ltd. A copy of the press release issued by the Registrant in connection with the completion of the acquisition is attached as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release, dated May 23, 2006, announcing the acquisition of Able New Energy Co., Ltd.

SIGNATURES

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

Date: As of May 22, 2006

ULTRALIFE BATTERIES, INC.

/s/ Peter F. Comerford

Peter F. Comerford
Vice President of Administration &
General Counsel

Ultralife Batteries Completes Acquisition of ABLE New Energy

NEWARK, N.Y.--(BUSINESS WIRE)--May 23, 2006--Ultralife Batteries, Inc. (NASDAQ: ULBI) has completed the acquisition of ABLE New Energy Co., Ltd., a manufacturer of lithium batteries located in Shenzhen, China.

Under the terms of the acquisition, the purchase price of approximately \$4.2 million consists of cash, common stock and stock warrants. The cash portion is equal to \$2.5 million, with \$2 million paid upon the closing and \$500,000 contingent on the achievement of certain performance milestones of the acquired business. The equity portion of the purchase price consists of approximately 96,000 shares of Ultralife common stock and 100,000 stock warrants.

Established in 2003, ABLE produces non-rechargeable lithium-manganese dioxide and lithium-thionyl chloride batteries, and supplies a variety of other non-rechargeable and rechargeable battery chemistries, for a wide range of applications worldwide including utility meters, security systems, tire pressure sensors, medical devices, automotive electronics and memory backup, among many others. In 2005, based on unaudited figures, ABLE generated approximately \$300,000 in operating profit on approximately \$2.3 million in revenue.

"We acquired ABLE to enhance our global presence and competitive strength both through the expansion of our product line and by creating access to lower material and manufacturing costs," said John D. Kavazanjian, Ultralife's president and chief executive officer. "This acquisition will also facilitate our entry into the rapidly growing Chinese market."

Information about ABLE is available at: www.able-battery.com.

About Ultralife Batteries, Inc.

Ultralife is a global provider of high-energy power systems for diverse applications. The company develops, manufactures and markets a wide range of non-rechargeable and rechargeable batteries, charging systems and accessories for use in military, industrial and consumer portable electronic products. Through its portfolio of standard products and engineered solutions, Ultralife is at the forefront of providing the next generation of power systems. Industrial, retail and government customers include General Dynamics, Philips Medical Systems, General Motors, Energizer, Kidde Safety, Lowe's, Radio Shack and the national defense agencies of the United States, United Kingdom, Germany and Australia, among others.

Ultralife's headquarters, principal manufacturing and research facilities are in Newark, New York, near Rochester. Ultralife Batteries (UK) Ltd., a second manufacturing facility, is located in Abingdon, England. Both facilities are ISO-9001 certified. Detailed information on Ultralife is available at: www.ultralifebatteries.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, disruptions related to restructuring actions and delays. 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.

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