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Ultralife Corporation Awarded \$1.5 Million by NYSERDA for Advanced Lithium Ion Battery Energy Storage System for SUNY Canton Wind Turbine

Company Receives Additional \$1.5 Million in Funding from NYPA

NEWARK, N.Y., May 04, 2010 (BUSINESS WIRE) --Ultralife Corporation (NASDAQ: ULBI) has been awarded a total of \$3 million by the New York State Energy Research and Development Authority (NYSERDA) and the New York Power Authority (NYPA) following its successful application for grant funding under NYSERDA Program Opportunity Notice 1670. NYSERDA has awarded \$1.5 million and NYPA is providing an additional \$1.5 million in co-funding to support the battery project.

Ultralife will use the funding to demonstrate its new lithium ion battery energy storage system to support a wind turbine demonstration project planned for installation on the campus of the State University of New York at Canton (SUNY Canton).

Ultralife will manufacture, at its Newark, New York facility, an advanced 2 megawatt-hour lithium ion battery energy storage system for integration with a single wind turbine being planned for installation and operation in 2011. The energy storage system is based on Ultralife's existing modular lithium ion battery system technology, and will be designed to support the SUNY Canton electrical power demand with a capacity to store 2 megawatt-hours of electrical power, and deliver that power at a rate of up to 500 kilowatts for up to four hours. This jointly funded research and development initiative will be one of the first battery-integrated wind turbine projects installed in the United States.

The funding follows Ultralife's recent \$2.4 million award by NYSERDA for installation of a 1 megawatt-hour lithium ion energy storage system to be installed on Ultralife's Newark, New York corporate campus.

This demonstration project will evaluate the technical capability and economic benefits of advanced electric energy storage system batteries integrated with wind turbine generating systems. As such it is intended to serve as a model for integration of a managed energy storage system with a utility-scale wind power turbine for renewable wind facilities nationwide. The project will result in data to confirm the technical performance and economic benefits of Ultralife's energy storage system, specifically targeting renewable and alternative energy integration, peak shifting, peak shaving, frequency regulation, and other energy storage applications. With excess power generated by the wind turbine to be controlled in a "dispatchable" manner, SUNY Canton will be able to reduce campus peak demands and target specific utility rate structures to lower electricity costs. SUNY Canton is supporting the siting of both the wind turbine and energy storage projects, and will also benefit from the projects for educational purposes.

"This demonstration project is a natural progression of our energy storage commercialization strategy and will highlight the performance of our lithium ion battery energy storage system. Our energy storage technology could truly make the grid more versatile by allowing for renewable and alternative energy generated power to be stored and managed more efficiently, resulting in a more robust and efficient transmission and distribution power grid infrastructure. As a result, it will encourage distributed renewable power generation systems to be added throughout the grid," said John D. Kavazanjian, Ultralife's president and chief executive officer.

Kavazanjian continued, "Once this system is operational, we plan to provide, through the channels developed by our Energy Services segment, an integrated solution that offers lower total cost of ownership to target customers for the deployment of large-scale lithium ion products for the fast growing energy storage market."

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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