



May 3, 2011

Ultralife Energy Services Corporation Customers,

The company is establishing a reserve to support the expected warranty liability associated with Ultralife Energy Services Corporation's (UES) lead acid battery product line. This reserve will survive the shutdown of the UES business.

The reserve will be funded based on historical levels of warranty claims, projected through the end of 2013. Product is warranted for one, two or three years – depending upon the product purchased and the terms of the order acknowledgement you received from UES – or through December 31, 2013, whichever is earlier.

Arrangements have been made to process warranty claims through DC Power Services of Florida, LLC. They can be reached via www.dcpflorida.com.

Thank you for your loyal support over the years.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris McComb".

Chris McComb
Vice President and General Manager
Ultralife Energy Services