**Press Release** **15 May 2006**

## Nanotecture Ltd

("Nanotecture" or "the Company")

## Nanotecture awarded DTI grant for Nanoporous Active Cathodes for Primary Lithium Batteries

Nanotecture Ltd, the fast growing nanotechnology materials company, announces that it has been awarded a £131,000 grant by the UK's Department of Trade & Industry (DTI) through the Technology Programme, to support a two year research and development project entitled "Nanoporous Active Cathodes for Primary Lithium Batteries". The project involves a collaboration between Nanotecture Ltd and Ultralife Batteries (UK) Ltd. It will combine Nanotecture's novel materials technology with Ultralife's lithium battery engineering and manufacturing skills.

The purpose of the project is to demonstrate the benefits of Nanotecture's proprietary, nanostructured materials to increase significantly the power that can be drawn from non-rechargeable lithium batteries. This will allow the use of smaller and lighter batteries in power-hungry applications, which are becoming ever more prevalent.

Commenting on today's announcement, Dr Chris Wright, CEO of Nanotecture Ltd, said: "I am very pleased that Nanotecture and Ultralife Batteries have been selected by the UK DTI to demonstrate the benefits of Nanotecture materials technology in improving the performance of batteries. Ultralife has a long history of developing batteries for use in the toughest of situations and we believe that the use of our nanostructured materials will enable them to keep stretching the performance envelope".

Science and Innovation Minister, Lord Sainsbury said: "This initiative provides a real opportunity to harness the world class expertise that we possess in the UK and direct it towards the task of wealth creation. By providing a focus for collaboration and

delivery, this partnership will help establish British industry as the world leader in this area and, an attractive proposition for investors."

Mr. John D. Kavazanjian, president and chief executive officer of Ultralife Batteries Inc., the parent company of Ultralife Batteries (UK) Ltd., said: "This DTI-backed project is a great opportunity for UK industry, through this collaborative partnership, to maintain its pre-eminence in high performance battery technology. We look forward to working with Nanotecture on this project to demonstrate the battery performance benefits of advanced nanostructured materials."

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**For further information:**

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**Notes to Editors:**

*Nanotecture Ltd*

Nanotecture Ltd, the fast-growing, nanotechnology materials company, is engaged in product development activity focused into three areas: novel power sources such as supercapacitors and advanced batteries, coatings and sensors. Development contracts and collaboration agreements have been signed with a number of leading companies. Whilst focused on nanotechnology this diverse portfolio of applications both increase the revenue earning opportunities and the chances of long term success.

The company raised £3.6M in May 2005 from Foresight Venture Partners, IP2IPO`s Top Technology, Quester, East Hill (USA) and the Artemis VCT.

The company was originally formed around patented templating technology invented at the University of Southampton which gives the company a powerful control over the nanoscale (one billionth of a metre) architectures of a wide range of materials. These materials have unique properties which are different to bulk materials and importantly have characteristics not available from particle based nanomaterials.

*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 defence 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 the Company's web site, www.ultralifebatteries.com.

*DTI Notes:*

This project is part-funded by a Collaborative R&D grant under the Technology Programme. The Technology Programme, launched in 2004, is investing directly in new and emerging technologies, and has been designed to help businesses work collaboratively with each other or with academic partners to develop technologies that will underpin products and services of the future. The Technology Programme provides funding using two of the DTI's business support products: Collaborative Research & Development and Knowledge Transfer Networks. Further information can be found at: www.dti.gov.uk/technologyprogramme.