

ULTRALIFE BATTERIES INC
 Form 4
 September 26, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 GRACE BROTHERS LTD

2. Issuer Name and Ticker or Trading Symbol
 ULTRALIFE BATTERIES INC
 [ULBI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1560 SHERMAN AVE SUITE 900
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/22/2006

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

EVANSTON, IL 60201

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	09/22/2006		P		100	A	\$ 8.9 3,315,582
Common Stock	09/22/2006		P		100	A	\$ 8.91 3,315,682
Common Stock	09/22/2006		P		200	A	\$ 8.92 3,315,882
Common Stock	09/22/2006		P		5,300	A	\$ 8.94 3,321,182
Common Stock	09/22/2006		P		200	A	\$ 8.95 3,321,382

Edgar Filing: ULTRALIFE BATTERIES INC - Form 4

Common Stock	09/22/2006	P	100	A	\$ 8.99	3,321,482	D
Common Stock	09/22/2006	P	5,300	A	\$ 9	3,326,782	D
Common Stock	09/22/2006	P	200	A	\$ 9.01	3,326,982	D
Common Stock	09/22/2006	P	4,100	A	\$ 9.02	3,331,082	D
Common Stock	09/22/2006	P	400	A	\$ 9.03	3,331,482	D
Common Stock	09/22/2006	P	100	A	\$ 9.04	3,331,582	D
Common Stock	09/22/2006	P	11,509	A	\$ 9.05	3,343,091	D
Common Stock	09/22/2006	P	700	A	\$ 9.06	3,343,791	D
Common Stock	09/22/2006	P	200	A	\$ 9.08	3,343,991	D
Common Stock	09/22/2006	P	1,897	A	\$ 9.09	3,345,888	D
Common Stock	09/22/2006	P	17,880	A	\$ 9.1	3,363,768	D
Common Stock	09/22/2006	P	100	A	\$ 9.11	3,363,868	D
Common Stock	09/22/2006	P	397	A	\$ 9.12	3,364,265	D
Common Stock	09/22/2006	P	2,000	A	\$ 9.13	3,366,265	D
Common Stock	09/22/2006	P	918	A	\$ 9.14	3,367,183	D
Common Stock	09/22/2006	P	5,400	A	\$ 9.15	3,372,583	D
Common Stock	09/22/2006	P	1,791	A	\$ 9.16	3,374,374	D
Common Stock	09/22/2006	P	400	A	\$ 9.17	3,374,774	D
Common Stock	09/22/2006	P	500	A	\$ 9.18	3,375,274	D
Common Stock	09/22/2006	P	2,200	A	\$ 9.19	3,377,474	D
	09/22/2006	P	43,060	A	\$ 9.2	3,420,534	D

Edgar Filing: ULTRALIFE BATTERIES INC - Form 4

Common Stock								
Common Stock	09/22/2006		P	1,400	A	\$ 9.22	3,421,934	D
Common Stock	09/22/2006		P	600	A	\$ 9.29	3,422,534	D
Common Stock	09/22/2006		P	3,877	A	\$ 9.3	3,426,411	D
Common Stock	09/22/2006		P	500	A	\$ 9.31	3,426,911	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
--	--	--------------------------------------	--	--------------------------------	---	--	---	--	--

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

GRACE BROTHERS LTD
1560 SHERMAN AVE SUITE 900
EVANSTON, IL 60201

X

Signatures

Bradford T. Whitmore, General Partner

09/26/2006

