

ULTRALIFE BATTERIES INC

Form 4

May 19, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(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)
05/17/2006

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

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

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

EVANSTON, IL 60201

(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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Stock	05/17/2006		P		463	A	\$ 10.45	2,538,754 D
Common Stock	05/17/2006		P		100	A	\$ 10.46	2,538,854 D
Common Stock	05/17/2006		P		3,300	A	\$ 10.49	2,542,154 D
Common Stock	05/17/2006		P		67	A	\$ 10.52	2,542,221 D
Common Stock	05/17/2006		P		570	A	\$ 10.53	2,542,791 D

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Common Stock	05/17/2006	P	3,249	A	\$ 10.54	2,546,040	D
Common Stock	05/17/2006	P	8,305	A	\$ 10.55	2,554,345	D
Common Stock	05/17/2006	P	1,710	A	\$ 10.57	2,556,055	D
Common Stock	05/17/2006	P	6,501	A	\$ 10.58	2,562,556	D
Common Stock	05/17/2006	P	4,055	A	\$ 10.59	2,566,611	D
Common Stock	05/17/2006	P	43,295	A	\$ 10.6	2,609,906	D
Common Stock	05/17/2006	P	3,067	A	\$ 10.61	2,612,973	D
Common Stock	05/17/2006	P	1,400	A	\$ 10.62	2,614,373	D
Common Stock	05/17/2006	P	1,293	A	\$ 10.63	2,615,666	D
Common Stock	05/17/2006	P	1,200	A	\$ 10.64	2,616,866	D
Common Stock	05/17/2006	P	600	A	\$ 10.65	2,617,466	D
Common Stock	05/17/2006	P	500	A	\$ 10.66	2,617,966	D
Common Stock	05/17/2006	P	4,015	A	\$ 10.68	2,621,981	D
Common Stock	05/17/2006	P	400	A	\$ 10.69	2,622,381	D
Common Stock	05/17/2006	P	6,136	A	\$ 10.7	2,628,517	D
Common Stock	05/17/2006	P	4,785	A	\$ 10.71	2,633,302	D
Common Stock	05/17/2006	P	872	A	\$ 10.74	2,634,174	D
Common Stock	05/17/2006	P	200	A	\$ 10.77	2,634,374	D
Common Stock	05/17/2006	P	1,392	A	\$ 10.79	2,635,766	D
Common Stock	05/17/2006	P	2,042	A	\$ 10.8	2,637,808	D
	05/17/2006	P	2,454	A		2,640,262	D

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Common \$
Stock 10.81

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

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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 Beneficially Owned Following Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

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 05/19/2006

__Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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