ULTRALIFE BATTERIES INC
Form 3
September 26, 2005

FORM 3

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

OMB APPROVAL

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INITIAL STATEMENT OF 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 *
Â GRACE BROTHERS LTD
(Last) (First) (Middle)

1560 SHERMAN AVE SUITE 900,Â
(Street)

EVANSTON,Â ILÂ 60201
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
09/22/2005

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

4. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director
_____ Officer (give title below)
__X__ 10% Owner
_____ Other (specify below)

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

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

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	1,442,725	D (1)	Â

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
		Title			

Date Exercisable	Expiration Date	Amount or Number of Shares	or Indirect (I) (Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GRACE BROTHERS LTD 1560 SHERMAN AVE SUITE 900 EVANSTON,Â ILÂ 60201	Â	Â X	Â	Â
SPURGEON CORP 290 S COUNTY FARM RD THIRD FL WHEATON,Â ILÂ 60187	Â	Â X	Â	Â

Signatures

Bradford T. Whitmore, General Partner of Grace Brothers, Ltd.	09/26/2005
**Signature of Reporting Person	Date
Jerald A. Trannel, Vice President of Spurgeon Corporation	09/26/2005
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 5(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).

(1) *Spurgeon Corporation is an indirect beneficial owner as General Partner of Grace Brothers, Ltd.

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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