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Arotech Receives First Order for Award-Winning SWIPES

Soldier Worn Integrated Power Equipment System Reduces Battery Weight Carried by Soldiers by up to 30%

ANN ARBOR, MI -- (MARKET WIRE) -- 02/01/12 -- Arotech Corporation (NASDAQ: ARTX) announced today that its Battery and Power Systems Division has received its first order for SWIPES, its award-winning Soldier Worn Integrated Power Equipment System.

The order for over 350 systems will service the U.S. Army REF (Rapid Equipping Force) and PEO Soldier, PM Soldier Warrior. The REF provides specialized and specific capabilities as quick as possible to Army units positioned globally in order to affect the outcome of wars and battles. PEO Soldier, PM Soldier Warrior, Product Director Soldier Power encompasses expeditionary power solutions intended for the most austere operating environments.

SWIPES utilizes the MOLLE vest and integrates force protection electronics and communications equipment with an advanced battery power source. The system utilizes a modular power distribution system that is powered by BA-8180/U, BA-8140/U Zinc-air batteries, Li-Ion Conformal Battery or the LI-145, BB2590 rechargeable batteries for direct power of equipment, allowing for extended mission times without the burden of power source swaps or power source charging due to their high energy density, and reducing battery weight soldiers carry by up to 30%. The batteries continuously charge the secondary batteries inside various devices, such as two way radios, GPS units and shot detection systems. The SWIPES product allows for individual tailoring by the warfighter and is designed to accept new applications as they become available.

"We are excited by the increased interest in the SWIPES as a consequence of being one of the *Ten Best Army Inventions of 2011*," stated Arotech Chairman and CEO Robert S. Ehrlich. "We believe that the fielding of this initial order will demonstrate its effectiveness and pave the way toward wide acceptance by the Warfighter," noted Ehrlich.

About Arotech's Battery and Power Systems Division

Arotech's Battery and Power Systems Division is a leading provider of primary and rechargeable batteries and chargers for defense and other military applications. Arotech develops and produces high power zinc-air batteries and is believed to be the sole supplier of this technology to the U.S. military. In addition, Arotech develops high-end primary and secondary batteries and associated chargers and has vast experience in working with government agencies, the military and large corporations.

The Battery and Power Systems Division consists of Electric Fuel Battery Corporation and Epsilon-Electric Fuel Ltd.

About Arotech Corporation

Arotech Corporation is a leading provider of quality defense and security products for the military, law enforcement and homeland security markets. Arotech provides multimedia interactive simulators/trainers and advanced zinc-air and lithium batteries and chargers. Arotech operates through two major business divisions: Training and Simulation, and Batteries and Power Systems.

Arotech is incorporated in Delaware, with corporate offices in Ann Arbor, Michigan and research, development and production subsidiaries in Alabama, Michigan and Israel.

Except for the historical information herein, the matters discussed in this news release include forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current knowledge, assumptions, judgment and expectations regarding future performance or events. Although management believes that the expectations reflected in such statements are reasonable, readers are cautioned not to place undue reliance on these forward-looking statements, as they are subject to various risks and uncertainties that may cause actual results to vary materially. These risks and uncertainties include, but are not limited to, risks relating to: product and technology development; the uncertainty of the market for Arotech's products; changing economic conditions; delay, cancellation or non-renewal, in whole or in part, of contracts or of purchase orders; and other risk factors detailed in Arotech's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and other filings with the Securities and Exchange Commission. Arotech assumes no obligation to update the information in this release. Reference to the Company's website above does not constitute incorporation of any of the information thereon into this press release.

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Source: Arotech