

October 27, 2008



## **Arotech Announces \$2 Million Rechargeable Battery Order to Asian Military With Option for Additional \$2 Million**

ANN ARBOR, MI -- (MARKET WIRE) -- 10/27/08 -- Arotech Corporation (NASDAQ: ARTX), a provider of quality defense and security products for the military, law enforcement and security markets, announced today that its battery and power systems division has received \$2.0 million in new primary and rechargeable battery orders from an unnamed Asian military for various portable military applications.

The orders include a combination of Lithium Ion, Zinc Air and Nickel Metal Hydride batteries that will be used to power such devices as communications systems, tactical computers and night vision equipment for military personnel. Initial delivery is expected to commence this year and is scheduled to be completed by January 2010.

"We are pleased our batteries and rechargeable products continue to gain world-wide acceptance from numerous militaries and are excited about new opportunities both in military and commercial and industrial applications," stated Robert S. Ehrlich, Arotech Chairman and CEO. "We believe our pioneering technology is at the forefront of battery demand around the globe," concluded Ehrlich.

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 US 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, Electric Fuel Ltd., and Epsilon Electronic Industries 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, including multimedia interactive simulators/trainers, lightweight armoring and advanced zinc-air and lithium batteries and chargers.

Arotech operates through three major business divisions: Armor, Training and Simulation and Battery 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; dilution resulting from issuances of Arotech's common stock upon conversion or payment of its outstanding convertible debt, which would be increasingly dilutive if and to the extent that the market price of Arotech's stock decreases; and other risk factors detailed in Arotech's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2007, as amended, 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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