

October 25, 2010



# Arotech Reports New and Follow-On Orders of \$2.5 Million in Batteries and Rechargeables

## Order Expected to Ship by Q1 2011

ANN ARBOR, MI -- (MARKET WIRE) -- 10/25/10 -- 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 new and follow-on orders of approximately \$2.5 million for battery and rechargeable products for military and domestic consumption. The applications are similar to those reported in recent announcements and include communications equipment, aviation safety products and the military's newly-created future soldier program. These orders bring the Division's backlog to \$16.3 million and are expected to ship before the end of the first quarter 2011.

"Our Battery and Power Systems Division continues to perform extremely well and we are delighted to see this evidence of continued demand for our leading-edge battery technologies," said Robert Ehrlich, Arotech's Chairman and Chief Executive Officer. "We are very pleased to see the applications for our technologies growing and new and existing customers purchasing a variety of products in the Division," added 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 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. Arotech provides 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 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; 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, 2009 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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