

June 25, 2014



Arotech Battery And Power Systems Division Unveils New Hybrid Power System

ANN ARBOR, Mich., June 25, 2014 /PRNewswire/ --**Arotech Corporation (Nasdaq GM: ARTX)** today announced a new Man Portable Hybrid Power Management System that its Battery and Power Division's UEC Electronics subsidiary unveiled to the United States Department of Defense (DoD). This latest 3.5kW system is a prototype which satisfies an upcoming solicitation for the Mobile Electric Hybrid Power System Lite (MEHPS-Lite).

Following the success of the Division's Ground Renewable Expeditionary Energy Network System (GREENS), this hybrid system is designed to optimize efficiency and extend the life of generators by reducing generator run time by up to 70%. This enables reduced fuel consumption, reduced maintenance burden, as well as improved logistical support. While not dependent on solar, the system is also able to collect and store up to 3kW of solar energy.

Numerous reports throughout the DoD concluded the preponderance of generators are used well below capacity. UEC Electronics' latest Hybrid Power Management System addresses this problem head-on. A generator is automatically turned on only when the battery state of charge (SOC) falls below a certain limit and provides power to the load. All excess energy produced is used to charge the battery array, making full use of generator output.

Rebecca Ufkes, President of UEC Electronics, stated, "The US Department of Defense is looking for cost savings. GREENS saved the Marine Corps millions of dollars in fuel in its first year. The technology is mature and is combat proven. We believe there is a substantial need for this technology and all the feedback we have received from operational forces has been favorable."

Mr. Robert S. Ehrlich, Chairman and CEO of Arotech, commented, "While the prototype unit was unveiled to the US Department of Defense, we believe this is a real game-changing technology and very relevant for the commercial world as well. There are many commercial applications where providing fuel to generators is problematic which this technology solves. We believe that our continued investment R&D opens new addressable markets and puts us in a better position for long-term growth and success."

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 and of electronic components and subsystems primarily for military, aerospace and industrial customers. 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, as well as (i) hybrid power generation systems, (ii) smart power subsystems for military vehicles and dismounted

applications, and (iii) aircraft and missile systems support for cutting-edge weapons and communications technologies, 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 (www.efbpower.com), Epsilor-Electric Fuel Ltd. (www.epsilor.com; www.electric-fuel.com), and UEC Electronics, LLC (www.uec-electronics.com).

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 and advanced zinc-air and lithium batteries and chargers. Arotech operates two major business divisions: 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, South Carolina and Israel. For more information on Arotech, please visit Arotech's website at www.arotech.com.

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