

ULTRALIFE BATTERIES INC

Form 4

June 07, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN 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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
GRACE BROTHERS LTD

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
1560 SHERMAN AVE SUITE 900
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
06/06/2006

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

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

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

EVANSTON, IL 60201

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	06/06/2006		P		800	A	\$ 9.95
							2,894,128
Common Stock	06/06/2006		P		21,589	A	\$ 9.96
							2,915,717
Common Stock	06/06/2006		P		6,239	A	\$ 9.97
							2,921,956
Common Stock	06/06/2006		P		3,080	A	\$ 9.98
							2,925,036
Common Stock	06/06/2006		P		200	A	\$ 9.99
							2,925,236

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Common Stock	06/06/2006	P	22,682	A	\$ 10	2,947,918	D
Common Stock	06/07/2006	P	500	A	\$ 9.84	2,948,418	D
Common Stock	06/07/2006	P	3,202	A	\$ 9.85	2,951,620	D
Common Stock	06/07/2006	P	200	A	\$ 9.87	2,951,820	D
Common Stock	06/07/2006	P	1,000	A	\$ 9.9	2,952,820	D
Common Stock	06/07/2006	P	200	A	\$ 9.93	2,953,020	D
Common Stock	06/07/2006	P	400	A	\$ 9.94	2,953,420	D
Common Stock	06/07/2006	P	200	A	\$ 9.95	2,953,620	D
Common Stock	06/07/2006	P	300	A	\$ 9.97	2,953,920	D
Common Stock	06/07/2006	P	100	A	\$ 9.98	2,954,020	D
Common Stock	06/07/2006	P	2,734	A	\$ 9.99	2,956,754	D
Common Stock	06/07/2006	P	366	A	\$ 10	2,957,120	D

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

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)		Title		

Date Exercisable	Expiration Date	Amount or Number of Shares
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GRACE BROTHERS LTD 1560 SHERMAN AVE SUITE 900 EVANSTON, IL 60201		X		

Signatures

Bradford T. Whitmore, General Partner	06/07/2006
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__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(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).

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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