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Lithium Battery Producer, Flux Power Strengthens Balance Sheet With Conversion of \$2.9M Debt Into Equity

Largest Shareholder Confident in Demand for Flux Power Energy Storage for Industrial Vehicles (Lift Trucks, Forklifts and Tug & Tow) and to Replace Generators for Remote Power

VISTA, CA -- (Marketwired) -- 06/11/14 -- Flux Power[®] Holdings, Inc. (OTCQB: FLUX), a developer of advanced lithium-ion batteries and storage for industrial applications, announced today that it has converted \$2.89 million of debt into common stock and warrants, eliminating all of Flux's long-term debt. Flux Power's largest shareholder, Esenjay Investments LLC, converted all of its long-term debt and accrued interest into 12.1 million shares of Flux Power restricted common stock at a price of \$0.24 per share. Esenjay was also granted 3-year warrants to purchase 1.9 million shares of common stock at \$0.30 per share, as an incentive for the conversion.

Flux Power develops and markets advanced lithium-ion battery packs for use in lift trucks (forklifts), other industrial vehicles and for portable power in remote locations. Packs made by Flux Power leverage its proprietary battery management system, in-house engineering and innovative product design. Flux Power's storage solutions deliver improved performance, longer cycle life, lower total cost of ownership, greater return on investment than legacy solutions and are substantially cheaper than fuel cell deployments.

Michael Johnson, CEO of Esenjay Investments and a Director of Flux Power, commented, "Though Flux is still in the early days of commercializing its innovative lithium-ion battery solutions, the interest and support from prospective customers, distributors, dealers and OEMs has been tremendous and gains momentum. The Flux team has done an impressive job the past year. They developed and launched initial products, have worked closely with prospective customers and partners on numerous pilots, and have built a growing base of industry awareness and an expanding pipeline of sales opportunities. It is exciting to be on the front end of this significant emerging space, and converting our debt into Flux common stock is a win-win for Flux and for Esenjay."

Flux Power's CEO, Ron Dutt, added, "Michael has been an invaluable partner of Flux for many years. His steadfast belief in our vision and Esenjay's strong financial support enabled us to get where we are today. This conversion strengthens our financial position to pursue the substantial sales opportunities we have identified and are starting to engage."

Reflecting shares issued in the debt conversion, as of today Flux Power has 93.3 million basic shares outstanding, of which Esenjay Investments owns 44.6 million shares or approximately 48%.

About Flux Power Holdings, Inc. (www.fluxpwr.com)

Flux Power develops and markets advanced lithium-ion energy storage systems ('batteries') based on its proprietary battery management system (BMS) and in-house engineering and product design. Flux storage solutions deliver improved performance, extended cycle life and greater return on investment than legacy solutions. Flux sells direct and through a growing base of distribution relationships. Products include advanced battery packs for motive power in the lift equipment, tug and tow and robotics market, portable power for military and entertainment applications and stationary power for grid storage.

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BoardVote: BoardVote.com/symbol/FLUX

This release contains certain "forward-looking statements" relating to Flux's business, that are often identified by the use of "believes," "expects" or similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from those anticipated, believed, estimated, expected, etc. Such forward-looking statements include the development and success of new products, distribution partnerships and business opportunities and the uncertainties of customer acceptance of new products. Actual results could differ from those projected in due to numerous factors. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update these statements or the reasons why actual results could differ from those projected. Although we believe that beliefs, plans, expectations and intentions in this press release are reasonable, there can be no assurance that they will prove to be accurate. Investors should refer to the risk factors outlined in our Form 10-K, 10-Q and other reports filed with the SEC and available at www.sec.gov/edgar.

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Source: Flux Power Holdings, Inc.