

Flux Power(R) Develops 48-Volt Lithium Battery Array to Power Three-Ton Robot for Underground Mining and Excavation

Development Underscores Scalability of Flux Lithium Battery Solutions for Larger Commercial Applications

VISTA, CA -- (Marketwired) -- 08/21/14 -- Flux Power Holdings, Inc. (OTCQB: FLUX), an innovator in advanced lithium energy storage systems, announced the on-time development and delivery of a 46-kilowatt, 48-volt lithium-iron phosphate battery array to power a state-of-the-art, three-ton robot for underground mining and civil construction. See photos here: www.fluxpwr.com/agv.

Penguin Automated Systems Inc. selected Flux in December 2013 to design, engineer and produce a rugged, high-voltage power solution that could meet the challenging environmental and performance requirements of remote subterranean operations. Field-testing of the robot will commence this fall with a Penguin mining industry customer in South America. Pending a successful outcome of initial trials, Flux Power would be well positioned to support any subsequent commercial rollouts.

Flux CEO, Ron Dutt, commented, "This development demonstrates our ability to scale-up our lithium power solutions for new, larger and more demanding applications, including the exciting field of automated guided vehicles (AGV). This 48V/48kw battery array includes two 24V battery packs and weighs in at over 1,600 lbs. It is our largest and highest-power solution to date, building on our 24V and 36V storage solutions developed for lift trucks, tug & tow vehicles and portable storage.

"Our 48V solution harnesses the same lithium technology as our other packs to provide a lighter, more compact and cost effective solution than equivalent lead-acid storage alternatives. Lithium's energy storage efficiency has allowed us to deliver a 48V/48Kw solution that is less than half the size and weight of a comparable lead-acid battery, making it a critical enabling technology for this state of the art robotic device.

"This delivery to Penguin is another example of the ability of Flux Power to create more productive and lower cost battery storage solutions for large scale industrial equipment."

About Penguin Automated Systems Inc. (www.penguinasi.com)

Penguin Automated Systems is a research, development and prototyping company and a leading force in telerobotics. Penguin builds solutions for the most challenging underground, underwater, space and on surface applications, using a comprehensive approach to software development, systems integration and field-testing.

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 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. Flux Power has approximately 93.3 million basic shares outstanding.

Flux Blog: Flux Power Currents

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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 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 the 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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