

**Company Contact:**

Universal Power Group, Inc.
469-892-1122
Mimi Tan, SVP
tanm@upgi.com

Investor Relations:

Lambert, Edwards & Associates
616-233-0500
Jeff Tryka, CFA
jtryka@lambert-edwards.com

Universal Power Group Signs Letter of Intent for Distribution of New and Innovative High-Performance Lithium Battery Technology

CARROLLTON, Texas – Jan. 5, 2010 — Universal Power Group, Inc. (NYSE Amex: UPG), today announced that it has signed a letter of intent to enter into a multi-year battery distribution agreement with K2 Energy Solutions, Inc., a developer and manufacturer of rechargeable battery systems for electric vehicles and energy storage applications.

Under terms of the agreement, UPG will have the rights to market, distribute and sell K2's complete line of lithium iron phosphate products. These products include batteries, prismatic cells and polymer cells, as well as battery modules, systems and packs. UPG will act as a sales and marketing arm for K2 products, establishing growth opportunities through multiple channels in various markets. K2 will provide manufacturing, engineering and technical expertise, as well as support relating to products covered under the agreement.

"This partnership allows for K2 to leverage UPG's sales and marketing expertise and established channels of distribution in core market segments for our lithium iron phosphate energy storage solutions," said Dr. Johnnie Stoker, President and CEO of K2. "We look forward to executing a definitive agreement with UPG that will allow for further mutual growth opportunities."

"We are pleased to announce this latest step in the development and growth of UPG," said Ian Edmonds, UPG's President and CEO. "This agreement matches well with UPG's long-term strategy of penetrating new markets through strategic alliances, and engaging in new and progressive technologies. Our partnership with K2 provides UPG with exposure to the emerging market for electric vehicles, and serves as another platform for future growth. This agreement highlights the kinds of strategic partnerships we are seeking, and we look forward to working together with K2 over the long term."

UPG is planning to display a high performance electric vehicle featuring K2 batteries at the International Consumer Electronics Show to be held January 7-10 in Las Vegas. Terms of the distribution agreement are currently being finalized, and both companies anticipate a definitive agreement on or before February 22, 2010.

About Universal Power Group, Inc.

Universal Power Group, Inc. (NYSE Amex: UPG) is a leading supplier and distributor of batteries and power accessories, and a provider of supply chain and other value-added services. UPG's product offerings include proprietary brands of industrial and consumer batteries of all chemistries, chargers, jump-starters, 12-volt accessories, solar and security products. UPG's supply chain services include procurement, warehousing, inventory management, distribution, fulfillment and value-added services

such as sourcing, battery pack assembly, coordination of battery recycling efforts, and product design and development. For more information, please visit the UPG website at www.upgi.com.

About K2 Energy Solutions, Inc.

K2 Energy Solutions, Inc. is an advanced lithium battery technology company focused on commercialization and manufacture of rechargeable battery systems for electric vehicles and energy storage. The company's battery systems are based on a lithium iron phosphate cathode material whose inherent safety and low cost makes them ideal for the large format systems required for energy storage and EV applications. K2 differentiates itself as a solutions provider for large format battery packs and systems, developing products based upon customer requirements and utilizing expertise in Lithium Iron Phosphate (LFP) battery chemistry. K2 is a private corporation headquartered in Henderson, Nevada, with manufacturing capabilities in both Nevada and China. Additional information may be found at www.k2battery.com.

Contact at K2 Energy Solutions, Inc.:

Dr. Johnnie Stoker, Chief Executive Officer
702-478-3590

Forward-Looking Statements

Statements in this press release that are not statements of historical or current fact constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other unknown factors that could cause the Company's actual operating results to be materially different from any historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements that explicitly describe these risks and uncertainties, readers are urged to consider statements that contain terms such as "believes," "belief," "expects," "expect," "intends," "intend," "anticipate," "anticipates," "plans," "plan," to be uncertain and forward-looking. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's filings with Securities and Exchange Commission. Historical financial results are not necessarily indicative of future performance.

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