



FOR IMMEDIATE RELEASE

January 10, 2011

Dear Fellow Cyberlux Shareholder:

I would like to update you on the progress we made in 2010, the Company's plans for 2011 and the ongoing challenges facing Cyberlux Corporation.

First, I want to express my continued appreciation for your support as a fellow shareholder, and address the reasons why we are not as communicative as other OTCBB companies our size. While the Company recognizes that the growing pains experienced by younger companies is ultimately passed on to the shareholders in price performance, please understand that your Management team is continuing the challenging task of putting past legacy issues behind us that are still materially affecting the stock today. Cyberlux Corporation is truly thankful to have you as an investor and we fully understand the trust you have put in Management.

Cyberlux Management is committed to the restructuring tasks that remain ahead, and we will continue the turnaround effort that has been underway for the past two years until the job is done. Additionally, many of our clients consist of very large publicly traded companies, as well as the Government. The contracts we have successfully secured require confidentiality agreements and conditions that sometimes only allow us to disclose these events in our required filings. You must understand that we would love nothing more than to be able to market these accomplishments through press releases and the like, but we have experienced first-hand the ramifications that occur with doing this within our sensitive client base. We have learned that the downside to releasing this news can range anywhere from being reprimanded by our clients, to allowing competitors to take business from the company. We must balance our exposure based upon the language in our contracts, feedback from our clients and simply what makes sense to the company. That being said, the company does its best to be as transparent as possible, and always attempts to be in full compliance with all disclosure regulations, but we must do what is best for the company when it comes to what can be released as marketing material.

During 2010, Cyberlux Management focused on the Company's competitive differentiators: strong governmental relationships, product innovation, proprietary LED knowledge and patented LED technology. This focus allowed the Company to secure its first significant Department of Defense (DoD) contract in May with the National Guard Bureau for 200 BrightEye Systems and \$3,400,000 in revenue. In addition, we secured a second contract from the National Guard Bureau for 39 BrightEye Systems and an additional \$663,000 in revenue. For a company our size, securing over \$4.0M in contracts is not only remarkable, but is the source of revenue and profit that can fuel the turnaround effort already underway. Also and as previously disseminated, we have an ongoing development relationship with Spectrum Brands, most notably, its Rayovac brand. This relationship calls for our design and manufacturing abilities to compliment one of the largest branding companies with clients worldwide. While the research and development of

this project has taken longer than we originally expected, we still believe this to be considerable source of revenue in 2011 and beyond. Both Management teams have been in constant communication and we hope to have material updates for you in the near future.

The DoD contract, as well as the Spectrum Brands opportunity, are two perfect examples of our refined business model that we believe will lead to an improved balance sheet and a more valuable company for all of you. Our pipeline is focused on similar clients, so we hope to announce new revenue sources that are in-line with what was described above.

We are already seeing the improvements with the Company posting a 3Q 2010 net income from Operations of \$272,907 versus a loss \$486,161 for the same period in 2009. On a year-to-date basis, the Company increased revenue by \$1,539,962 and reduced its loss by \$936,889 through 3Q 2010, compared to the same period in 2009. This is the first positive quarterly net income from Operations that the Company has ever posted. In these results, we can also see that the ongoing focus on expense reduction is reflected in the balance sheet as well for 2010, with G & A expenses being reduced an additional 17% from \$1,604,029 to \$1,327,943 through 3Q. Clearly, we are making progress.

With this cost structure, the Company should be positioned for growth as our business model continues to advance, but we can never be certain of the future and the business risk a small company like Cyberlux faces is ongoing. The Management team realizes that the future viability of Cyberlux depends on a constant stream of revenue from known customers with known demand and requirements. In the past, the Company had false starts on products that did not make it to market, which resulted in significant debt with investors who had the opportunity to convert that debt into equity. As disclosed, Management entered into a settlement agreement with its largest, as well as one of the earlier investors that allows what would have been a costly and strategically limiting ~~bottomless~~ convertible debt into a payable that can be settled over time. Ultimately, Management opted to reflect this payable in the balance sheet rather than risk an uncertain outcome and unforeseeable dilution of a limitless convertible debt. As the terms of the settlement agreement stipulate, this payable can be satisfied with payments either in stock or cash. Given the cash flow requirements of the business, Management has had to rely on stock as the means for satisfying this payable in a non-toxic fashion, and this will be the case for the foreseeable future. While satisfying this payable is, in our opinion, non-toxic, we do realize it is dilutive. The CYBL share price has a direct correlation with the amount of equity used to satisfy the payable, which is a dilutive event. While we recognize that the progress we've made justifies a higher market capitalization than where we trade today, we also believe the best interests of the shareholders, including Management, are being served by resolving this payable with equity.

Management has a strong ethical belief that the share price is driven by the markets, and we do not interfere with the Company's stock other than to inform the market of material events. As we grow the business and resolve remaining legacy issues, the share price should rise accordingly. For the foreseeable future, we will continue to experience dilution, but we are hopeful to see a transition in the future where the share price reflects performance. Like most public companies, our goal, is to minimize dilution, become sustainable from revenue generation and share with all investors the benefit of a stock that is valued relative to the growth of the company.

There is no doubt that the Company must continue to define the business model, as well as the capitalization structure, in order to yield results for both the Company and investor. We are discussing every possible opportunity that will allow the shareholder to be in lock step with the Company as it grows. The changes Management has made in the Cyberlux business model are showing as positive results both in the balance sheet and in the operation of the Company. The remaining challenges require every Cyberlux employee to be constantly focused on execution, on quality and on achieving the commitments we make to our customers and business partners. Excellence is achieved daily, through focused execution and the unwavering efforts of Cyberlux employees.

Thank you for your continued support.

Best regards,

Mark D. Schmidt

Mark D. Schmidt
President/CEO
Cyberlux Corporation

About Cyberlux Corporation

Cyberlux Corporation (OTC Bulletin Board: CYBL), a leader in solid-state lighting innovation, has developed breakthrough LED lighting technology that provides the most energy efficient and cost effective portable lighting solutions available today for military and commercial uses. The Military and Homeland Security products provide tactical covert and visible lighting capability and are designed as highly mobile, battery-powered lighting systems ideal for threat detection, force and asset protection and general expeditionary lighting needs. For more information, please visit www.cyberlux.com.

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This news release contains forward-looking statements. Actual results could vary materially from those expected due to a variety of risk factors, including, but not limited to, the Company's ability to expand its production capabilities concurrent with product orders. The Company's business is subject to significant risks and uncertainties discussed more thoroughly in Cyberlux Corporation's SEC filings, including but not limited to, its report on Form 10-KSB for the year ended December 31, 2009 and its 10-Q for the quarter ended September 30, 2010. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements, which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.