



**FOR IMMEDIATE RELEASE**

September 23, 2009

Dear Fellow Cyberlux Shareholder:

I'm writing you a little more than 15 months after I was named Chief Executive Officer of Cyberlux Corporation. Let me first say thank you for your continued support and patience as we continue to build Cyberlux into the company we all believe it can be. Without question, this has been the most challenging, most difficult year I've experienced in my 20 year business career. The financial market collapse of the past year has caused all investors, no matter what the quality of the security or the investment risk involved, to re-evaluate their investment strategies and their allocation of capital. Cyberlux Corporation is thankful to continue to be an investment selection for you.

From the macro-economic factors such as the performance of the capital markets to the micro-economic reality of the restricted availability of small business credit, Cyberlux, like many small companies, has had to focus in the last year on its core business opportunities and the long-term growth and prosperity of the Company, sometimes at the expense of the Company's short-term objectives.

In this business environment, Cyberlux Management has focused the company on our patented LED technology, our proprietary knowledge and our product development and manufacturing capability. In the existing Department of Defense (DoD) and Homeland Security/First Responder channels, Management has significantly changed our model from competing as the prime contractor for DoD contracts. In January, we transformed our Go-to-Market strategy from competing as a prime contractor to being the supplier who supports existing prime contractors and existing contracts. In addition, Management has also significantly changed our retail product strategy to become the product innovator and supplier to large existing retail marketing companies that have the scale and capability to bring a product to market world-wide.

These Go-to-Market strategy changes are significant and have far-reaching implications for how Cyberlux Corporation creates value in the marketplace, how the business scales and grows, how brand equity is created and how the value in the underlying equity of the company grows. In the past, Cyberlux Corporation was competing on a very large, very sophisticated playing field against companies that were either better positioned or better capitalized to secure contracts and large purchase commitments.

In fact, Cyberlux found itself in this very position with the United States Air Force (USAF) contract. Despite having developed the best products directly with the USAF customer, the contract was awarded to another company who underbid us and, to our knowledge, did not have a real product in market at the time of the award. This was a

significant setback which Management appealed to the USAF, then to the Government Accountability Office (GAO) and the situation is still unresolved and Cyberlux may ultimately seek legal damages as events present an opportunity to do so. Nonetheless, the USAF contract battle was a clear indication that a Go-to-Market strategy shift was not only necessary but fundamentally required, where Cyberlux would serve those companies with existing contracts as an OEM supplier and sub-contractor rather than compete in an arena where we cannot win.

Cyberlux Corporation has continued to make hard-fought progress in the marketplace, which has required some drastic measures appropriate for the times and the circumstances, but, nonetheless progress has been made towards the Company's sustainability and future growth. On the cost control side, Management has reduced all non-essential personnel, cut all available operating costs and asked the senior management team, beginning in 3Q 2008, to defer compensation until the Company is in a good operating condition. This has resulted in a reduction of true operating expense of over 75% this year. Management is continuing the very difficult task for aligning expense to revenue, and the Company should be well positioned to take advantage of our new cost structure as we make revenue gains going forward.

Remarkably, the Company has introduced five new, very exciting product families in order to expand our military and commercial product offerings, despite the cost reduction initiatives. In the first six months of 2009, Cyberlux launched the Portable Shelter Lighting products for tents and portable structures, the Outdoor Overhead and Outdoor Area Lighting products for municipal and military street lighting opportunities, the ArcLight LED products to address the traditional fluorescent lighting replacement opportunities, the BrightEye Solar-powered Trailer-mounted Lighting System for the DoD 'green' initiatives, and the WhiteEye product as a white light version of the BrightEye for lower cost tactical lighting needs.

With the Company's change in strategy, these new products and the existing products, are being offered to prime contractors and companies with existing contracts that contain lighting requirements. The OEM LED lighting market is approximately \$2 billion per year, and our products represent a market opportunity of approximately \$400M. If we capture a realistic market share of 1% to 3%, we would experience a rational level of growth. Management is beginning to see results that will be forthcoming over the next two quarters of performance.

Management believes these changes in Cyberlux strategy will accelerate the growth of the Company, driving Cyberlux into a sustainable, fully operating company with important customers who have ongoing needs for our products. This process is challenging, requiring significant effort and creative problem solving from every Cyberlux employee. As Cyberlux begins to grow again, the Company is committed to excellence with a vigilant focus on quality and execution, where every commitment we make is also a commitment we make to excellence. There is no shortcut; there is only consistent, day-in and day-out action, where excellence is achieved through the constant

‘whatever it takes’ effort the Cyberlux employees make across our engineering, sales, marketing, manufacturing, accounting, legal and management functions.

Given the trials and challenges Cyberlux has faced during the past year, I am reminded of one of my favorite passages from a speech entitled ‘The Man in the Arena’ by Theodore Roosevelt, a passage I’ve shared with Cyberlux employees first over a year ago. President Roosevelt’s words are an inspiring reminder of the individual responsibilities each Cyberlux employee has in the collective effort to build a successful company. I share this passage with you, our faithful shareholders, because I believe it represents the character of Cyberlux Corporation and how we are tenaciously resolved to drive the Company to success. President Roosevelt said:

“It is not the critic who counts, not the man who points out how the strong man stumbled, or where the doer of deeds could have done better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes short again and again, who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause, who at best knows achievement and who at the worst if he fails at least fails while daring greatly so that his place shall never be with those cold and timid souls who know neither victory nor defeat”.

Cyberlux Management and employees have the great responsibility for building the business into a sustainable and profitable enterprise, both an arduous and noble task. Each individual bears the responsibility for creating the future of Cyberlux, for striving for excellence, for doing the right thing, not just the easy thing. Within the ‘Cyberlux Arena’, Management is seeing the results of our actions and our change in strategy. We are committed to the building of a great company, have a deep belief in our capabilities to serve a wide range of customers and our ability to meet production and engineering challenges.

Your Management sincerely thanks you for your past and continuing support.

Best regards,

*Mark D. Schmidt*

Mark D. Schmidt  
President/CEO  
Cyberlux Corporation