



NEWS RELEASE for May 7, 2007

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AXION POWER INTERNATIONAL INC SELECTS ALLEN & CARON
FOR INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

NEW CASTLE, PA (May 7, 2007) ... Axion Power International Inc (OTC PK: (AXPW), a leading developer and manufacturer of advanced energy storage components and devices, announced that it has selected Allen & Caron, Inc. as its agency for investor relations and corporate communications.

Axion Power is developing, and intends to design, manufacture and sell, advanced energy storage components and devices based on its patented lead-acid-carbon technology. The Company believes that its planned products will offer several key performance advantages over conventional lead-acid batteries including: 1) significantly higher power delivery rates, 2) significantly faster recharge rates, 3) significantly longer cycle lives in deep discharge applications, 4) reduced premature failures and warranty claims, 5) more environmentally friendly with significantly less lead, and 6) entirely maintenance free. Axion's research and development operations, and its manufacturing operations, are conducted by its Power Battery Manufacturing, Inc. subsidiary. The Axion companies all operate in New Castle, PA.

“The lead-acid battery has earned a dominant position in the \$30 billion battery industry for three reasons: simplicity, performance and price. Introduced in the 1850s, it is ubiquitous and safe. Our unique lead-acid-carbon design is more environmentally responsible. More importantly, we think it can compete with other advanced battery technologies, such as lithium ion and nickel metal hydride, at a significantly lower cost. We've spent three years developing our technology and introducing it to select end-user segments of the power storage industry. It's now time for us to broaden awareness of our technology in the media serving the Street,” commented Thomas Granville, CEO of Axion Power International Inc. “After a review of several agencies, we chose Allen & Caron due to its solid reputation and history of enhancing client profiles among institutional investors.”

“Axion has developed and patented a next-generation energy storage device that, at first, will be targeted at renewable energy applications that need better storage power systems to improve the operating economics of Wind and Solar Power. Next they will target grid connected utility markets with load leveling and peak shaving power storage systems. Axion has paid demonstration contracts in all three of these areas. Later it will target the Hybrid Electric Vehicle market and could eventually become a worldwide standard component in those automobiles” commented Joe Allen, Allen & Caron Chairman and CEO. “With its sound business plan and experienced senior management, we feel Axion Power can establish itself as a leading supplier of carbon electrode assemblies for the lead-acid battery industry.”

MORE – MORE – MORE

About Allen & Caron

Allen & Caron is a full-service corporate, investor and marketing communications agency serving the needs of public companies. The Allen & Caron international client base includes emerging growth companies in a range of industry segments. The firm has offices in Irvine, California; New York City; and London; maintains a presence in Paris; and has an affiliate relationship with a leading investor relations firm in Italy, which has offices in Milan and Rome.

About Axion Power International Inc

Axion has developed and patented a next generation energy storage device that uses carbon electrode assemblies to replace the lead-based negative electrodes used in lead-acid batteries. This new device offers energy storage capacity approaching lead acid batteries and cycle life and power output characteristics approaching supercapacitors in a low-cost device that recharges rapidly and is environmentally friendly because it uses less lead. Axion is currently producing pre-commercial prototype devices in small quantities at its lead-acid battery plant in New Castle, Pennsylvania. These pre-commercial devices use the same cases, positive electrodes, separators, electrolytes and manufacturing equipment as conventional lead-acid batteries. The only notable manufacturing difference is the use of carbon electrode assemblies instead of lead-based negative electrodes. Axion believes their planned products will be the only class of advanced battery that can be assembled on existing lead-acid battery production lines throughout the world with little or no change to production equipment and fabrication processes. It also believes it will be able to manufacture carbon electrode assemblies in volume at low cost using standard automated production methods that are commonly used in other industries. If and when its electrode manufacturing methods are fully developed, Axion believes it will be able to sell carbon electrode assemblies as virtual plug and play replacements for the lead based negative electrodes used by all other battery manufacturers.

Axion's goal is to become the leading supplier of carbon electrode assemblies for the lead-acid battery industry.

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

Certain statements in this Press Release are "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995. These statements include, without limitation, statements concerning the impact of the settlement agreement on our future business prospects and our ability to successfully complete the commercialization of our product. These forward-looking statements are based on our current expectations and beliefs and are subject to a number of risk factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Such risks and uncertainties include the risk that the settlement agreement will not produce the results we intend and all of the risks inherent in commercializing a new product (including technology risks, market risks, financial risks and implementation risks, as well as other risks and uncertainties affecting the Company, included in filings with the Securities and Exchange Commission, all of which are available at www.sec.gov. We disclaim any intention or obligation to revise any forward-looking statements, including, without limitation, financial estimates, whether as a result of new information, future events, or otherwise.

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