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AXION EXPANDS ITS MANAGEMENT TEAM

NEW CASTLE, PA (August 15, 2007) ... Axion Power International, Inc. (OTC Pink Sheets: AXPW) announced today that Andrew Carr Conway, Jr. has agreed to become the Company's Chief Financial Officer and Ken Wallace has joined the Company as Director of Equipment Design and Development. Thomas Granville, Axion's CEO said that the expansion of its management team is in response to rapidly evolving business conditions both in the Company and the energy storage industry as a whole.

Mr. Conway is a Certified Public Accountant, Forensic Certified Public Accountant, Certified Fraud Examiner, and Certified Financial Investigator who spent the majority of his career at the Securities and Exchange Commission (SEC). During his career with the SEC, Mr. Conway worked in the Denver regional office and had broad operational responsibilities with both the Division of Corporation Finance and the Division of Enforcement.

Conway retired from the SEC in 1997 and has spent the last 10 years in private practice where he specialized in complex accounting issues and litigation support. As Axion's CFO, Mr. Conway will be responsible for bringing Axion's accounting and SEC reporting current, and ensuring that these functions are in full compliance going forward.

Thomas Granville, CEO said: "Carr has been working with us for several months as we responded to SEC comments and evaluated the accounting policies and procedures used in the preparation of our 2003 through 2005 financial statements. His grasp of complex theoretical issues and his ability to communicate effectively with the SEC and our lawyers, auditors and in-house accounting staff have been invaluable. We are delighted that Carr has joined our team as Chief Financial Officer as we move into our next stage of growth and development."

Ken Wallace is a manufacturing equipment design specialist with over 30 years of industry experience, and was Chief Executive Officer of Cladan Corporation (www.cladancorp.com). He has developed manufacturing processes and equipment for a wide variety of governmental and private clients and installed specialty electrode production lines throughout North America, Europe and Asia. Cladan's representative client list includes the U.S. Army and Navy, Kent State University, General Electric, Motorola, Martin Marietta, ITT Cannon, NEC, Dupont and others.

Tom Granville, CEO said: "Ken is generally regarded as one of the best process development and equipment design specialists in the energy storage industry and for the last several months he has worked for us as a half-time consultant. He helped us develop the production equipment we used to make carbon electrode assemblies for our prototype PbC-acid batteries. Now that we have preliminary performance data on our PbC-acid batteries and have proven that we can manufacture those devices in any existing lead-acid battery plant, our next challenge will be improving and automating our electrode manufacturing processes so that we can make thousands of PbC-acid batteries per day instead of dozens."

Mr. Granville added "We are pleased that Ken has joined Axion and we welcome his move from San Diego to New Castle where he will concentrate his full time and attention in helping us grow the Company.

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About Axion Power International, Inc.

Axion has developed and patented a next generation energy storage device that won the prestigious 2006 Frost & Sullivan Technology Innovation Award for North America in the field of lead-acid batteries. According to Frost & Sullivan, Axion's new PbC-acid batteries have "the potential to revitalize the lead-acid battery industry by breathing new life into an established technology that was not well-suited to the requirements of important new applications like hybrid electric vehicles and renewable power."

Axion's new PbC-acid batteries use sophisticated carbon electrode assemblies to replace the simple lead-based negative electrodes used by other lead-acid battery manufacturers. The resulting PbC-acid battery offers energy storage approaching lead acid batteries, coupled with far longer cycle life and power output approaching super-capacitors. These low-cost devices recharge rapidly and are environmentally friendly because they use 40% to 60% less lead. Axion has been producing prototype PbC-acid batteries at its lead-acid battery plant in New Castle, Pennsylvania for over a year using the same cases, positive electrodes, separators, electrolytes and manufacturing equipment as its specialty lead-acid batteries. The only notable manufacturing difference is the use of its proprietary carbon electrode assemblies instead of lead-based negative electrodes. Early results from four months of demonstration testing at an integrated wind and solar power installation in Ontario are encouraging.

Axion believes its PbC-acid batteries are only class of advanced battery that can be assembled on existing lead-acid battery production lines with no significant changes 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 the electronics industry. 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 the e3 Supercell. 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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