

**AXION EXPANDS ITS MANAGEMENT TEAM DR ROBERT
NELSON TO TAKE OVER MANUFACTURING DUTIES**

FOR IMMEDIATE RELEASE

December 6, 2007 – NEW CASTLE, PA – Axion Power International, Inc. (OTC: AXPW) announced today that well known industry innovator, Robert F. Nelson, PhD, has joined the Company, as vice president of Manufacturing Engineering. Thomas Granville, Axion CEO, said that the expansion of the manufacturing development team is in response to rapidly evolving business conditions both in the Company and in the energy storage industry as a whole. Dr. Nelson is relocating to New Castle, and has already taken up his duties.

Dr. Nelson is a specialized manufacturing design and development professional with over 40 years of experience in academia and industry. From 1967 through 1977, Dr. Nelson worked as an assistant professor of chemistry at California State University, Sacramento; the University of Idaho and the University of Georgia. Since 1977, Dr. Nelson has held a variety of increasingly responsible technical management positions at leading firms in the lead-acid battery industry including Gates Corporation; Portable Energy Products; the Advanced Lead Acid Battery Consortium; Bolder Technologies Corporation; and most recently Firefly Energy Inc., where he served as Senior Vice President of Engineering.

Tom Granville, CEO said, “Bob has been a respected expert in the battery industry for over 30 years and was a driving force for the development and commercialization of the valve regulated lead acid battery technology used in every modern sealed lead-acid battery. He was also responsible for originating the Advanced Lead Acid Battery Consortium, an industry consortium that he subsequently managed for several years. For the last 11 years, Bob has focused on developing advanced lead acid battery technology for hybrid vehicles and other heavy demand applications. We believe his expertise will be invaluable as we complete the development and begin the commercialization of our award winning PbC battery technology, which promises a 300% to 400% improvement in battery cycle life.”

Mr. Granville continued, “Utilities, faced with the need to build generation and distribution facilities to meet peak customer demand, have long believed that cost-effective short-term energy storage systems would be an ideal solution. To date, the bulk of the efforts have been unsatisfactory due to the high cost and limited lives of most battery-based systems. We believe our low-cost PbC™ battery has the potential to provide the cost-effective short-term energy solution the utility industry has sought for decades. Our NYSERDA-DCEC installation will cost significantly less than other recently announced battery projects, and will give us an excellent opportunity to test our batteries and management system under extreme utility operating conditions.”

Dr. Nelson commented, “Emerging battery applications in wind and solar power, utility applications and hybrid electric vehicles, all have unique performance demands that current lead-acid technology cannot satisfy. Axion’s work on the PbC battery has overcome many of the technical performance limitations of lead-acid technology and created a product with the capability of satisfying the extraordinary demands of these new applications. I am looking forward to helping Axion introduce a truly unique product to the market.”

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 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 batteries use sophisticated carbon electrode assemblies to replace the simple lead-based negative electrodes used by lead-acid battery manufacturers. The resulting PbC 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% less lead. Axion has been producing prototype PbC™ batteries at its lead-acid battery plant in New Castle, Pennsylvania for more than a year with the same cases, positive electrodes, separators, electrolytes and manufacturing equipment used in its other lead-acid battery lines. The only notable manufacturing difference is the use of Axion’s proprietary carbon electrode assemblies instead of lead-based negative electrodes.

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AXION EXPANDS ITS MANAGEMENT TEAM DR ROBERT NELSON TO TAKE OVER MANUFACTURING DUTIES

PAGE 2-2-2

Axion believes its PbC batteries are the only class of advanced battery that can be assembled on existing lead-acid battery production lines without 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 production methods that are commonly used in other industries. 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 lead acid 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 PbC battery. 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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