



PRESS RELEASE

**EARTHRISE CAPITAL FUND COMPLETES INVESTMENT IN AXION
POWER INTERNATIONAL, INC.**

FOR IMMEDIATE RELEASE

Contact: Ann Partlow, General Partner
Earthrise Capital
212-757-1007
apartlow@earthrisecapital.com

NEW YORK, NY (December 22, 2009) Earthrise Capital Fund, LP today announced it has completed an investment in common shares of Axion Power International, Inc., (OTC Bulletin Board: AXPW), a developer of next-generation lead-acid batteries for hybrid electric vehicles, electric grid storage and other applications. Earthrise Capital believes that Axion's batteries have important advantages including better performance than conventional lead-acid and better economics than lithium ion batteries. In an oversubscribed private placement, Axion Power issued 45.7 million common shares at \$0.57 per share for gross proceeds of \$26.1 million. Other investors included Special Situations Funds, Manatuck Hill Partners and Narragansett Strategic Master Fund. Proceeds will be used to add battery electrode production lines and for working capital.

In connection with the transaction, the Company effected the conversion of outstanding preferred shares into common stock, simplifying the capital structure and aligning shareholder interests. The common shares issued in the offering have not been registered under the Securities Act of 1933, as amended. Earthrise Capital anticipates that the shares will become freely tradable within a period of 90 to 120 days.

Earthrise Capital

45 Rockefeller Plaza, 20th Floor ☎ 212.757.1007 🌐 New York, NY 10111

About Axion Power International, Inc.

Axion Power International is the industry leader in the field of lead-acid-carbon (PbC) energy storage technologies. PbC batteries use sophisticated carbon electrode assemblies to replace the simple lead-based negative electrodes used by other lead-acid battery manufacturers. The resulting device offers energy storage approaching that of lead acid batteries, coupled with far longer cycle life and power output approaching that of super-capacitors. These low-cost devices recharge rapidly and are more environmentally friendly because they use up to 40 percent less lead than conventional batteries.

Axion believes its PbC battery technology is the only class of advanced battery that can be assembled on existing lead-acid battery production lines throughout the world without significant changes to production equipment and fabrication processes. The company 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. 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 lead-based negative electrodes used by all other lead-acid battery manufacturers. Axion's future goal, after meeting demand from filling its plant's lead-carbon battery production, is to become the leading supplier of carbon electrode assemblies for the lead-acid battery industry. See www.axionpower.com for more information.

About Earthrise Capital:

Earthrise Capital Fund invests in emerging technologies for more efficient, cost-effective and sustainable use of critical natural resources and materials. The Earthrise investment team has decades of collective experience in energy and environmental technology investing. See www.earthrisecapital.com