



Global Leader
in Stored Electrical Energy

AXION POWER ENTERS WORLDWIDE SUPPLY AGREEMENT WITH EXIDE TECHNOLOGIES FOR PbC® BATTERIES

Omnibus Deal Covers Vehicles, Defense, and Commercial Applications

NEW CASTLE, PA (April 13, 2009) . . . [Axion Power International Inc](#) (OTC Bulletin Board: AXPW), announced today that it has signed a definitive Memorandum of Understanding for a multi-year, global supply relationship with Alpharetta, GA-based Exide Technologies (Nasdaq: XIDE) for the purchase of Axion PbC® batteries and other Axion Technologies™. Axion is a developer of advanced batteries and energy storage products that incorporate patented lead carbon battery PbC Technology™. Exide Technologies is a global leader in stored electrical energy solutions.

According to the terms of the agreement, three consecutive phased purchase- and test-periods will commence immediately, with Axion supplying an escalating number of batteries to Exide on a monthly basis. The first two phases will span 18 months and if successful the parties will move to the final 2 phases of the agreement. The quantity of the products supplied will need to achieve certain defined milestones, commensurate with what the market potentials could be, over the remaining 2.5 year period of the agreement if exclusivity is to be maintained. Shipments delineated under the agreement would begin in Phase I, which is scheduled to last 10 months and would ramp up at each phase point, assuming successful testing. No further details on anticipated shipments and schedules were released.

The agreement will make Exide Axion Power's principal battery original equipment manufacturer (OEM) customer. Axion will still retain the limited ability to market its PbC battery to one other lead-acid battery manufacturer under an existing agreement and Axion will be able to sell all its products to current customers, and into certain large potential markets on which they have chosen to concentrate.

If sales increase to a point where Axion cannot provide the quantities required, Axion agrees to grant a license and to sell certain materials to Exide to make a co-branded product. Axion expects its capacity to be exceeded, but plans to produce its proprietary carbon electrode for use in the batteries, whether the batteries are manufactured by Axion or Exide. This is in keeping with Axion's long-stated business plan of "providing carbon electrodes to lead-acid battery manufacturers to make their products better."

The agreement envisions Fields of Use for the Axion Technologies to include batteries for automobiles and light trucks (OEM and aftermarket); hybrid electric vehicles (HEVs); plug-in hybrid electric vehicles (PHEVs); electric vehicles (EVs); fuel-cell vehicles; marine, military, and heavy-duty transport applications; off-road machines; power-sport vehicles; and lawn and agricultural vehicles. It also foresees major applications for battery back-up; power quality; load leveling and peak shaving; storage for wind and solar; and storage for network grid applications.

"Exide is one of the largest battery manufacturers and recyclers in the world, and the Company's recognition of the 'game changing' potential of Axion's products - including the PbC Battery, PbC Technology, embossed grid technology, carbon additive technology and other technologies that we develop in partnership with Exide ? underscores their appreciation of our carbon expertise and research and development history. Together, we believe we can compete effectively with other battery chemistries that have dominated today's headlines," commented Tom Granville, Axion Power International's Chief Executive Officer. "Whether the market is electric vehicles, defense applications, utility and industrial energy storage needs or enablement of renewables including wind and solar, we believe that Axion's lead-carbon products present one of the best potential solutions. Axion's developing and maturing technology, combined with Exide's highly respected research and development team and proven ability to market and distribute batteries globally for transportation and industrial energy applications, provides all the necessary ingredients for winning big in the very substantial markets we target."

Axion Power has developed several technological improvements to traditional lead-acid batteries, and owns numerous patents covering them. Its best-known development is the PbC battery, which substitutes activated carbon for lead on the negative electrode of an otherwise traditionally manufactured absorbed glass mat (AGM) lead-acid battery.

"We believe 2009 is a year when real attention - and dollars - are turning to advanced chemistries and alternative energy sources. Certainly, our new collaboration with Axion Power strengthens Exide's ability to develop and provide additional products and technologies that can shape the world's changing energy storage systems," said Dr. Paul Cheeseman, Vice President, Global Engineering and Research for Exide Technologies. "As partners, Exide and Axion combine deep and broad

understandings that can effectively infuse technological innovation into practical applications. Together, we believe we're well positioned to offer dependable, affordable, and advanced energy solutions for the global marketplace."

In concluding Granville added, "We believe our batteries can compete with the more expensive and exotic battery chemistries. In the end, our relatively low cost, when compared to the battery chemistries that appear to dominate today's headlines, along with our ease of integration into existing manufacturing lines, will be telling advantages when novelty wears thin and cost-consciousness and practicality move center stage."

Conference Call / Webcast

On Tuesday, April 14 at 1:00PM EDT, Axion Power will hold a conference call and webcast to discuss this news; interested parties should call 866-700-7477 (domestic) or 617-213-8840 (international), with 41924610 to access the call. You may also access this call via the Internet at:

<http://phx.corporate-ir.net/playerlink.zhtml?c=155732&s=wm&e=2159945>

For those who are unavailable to listen to the live broadcast, a replay will be available for seven day and can be accessed by dialing 888-286-8010 (domestic), and 617-801-6888 (international). The passcode is 88400108.

About Exide Technologies

Exide Technologies, with operations in more than 80 countries, is one of the world's largest producers and recyclers of lead-acid batteries. The Company's four global business groups - Transportation Americas, Transportation Europe and Rest of World, Industrial Energy Americas and Industrial Energy Europe and Rest of World - provide a comprehensive range of stored electrical energy products and services for industrial and transportation applications.

Transportation markets include original-equipment and aftermarket automotive, heavy-duty truck, agricultural and marine applications, and new technologies for hybrid vehicles and automotive applications. Industrial markets include network power applications such as telecommunications systems, electric utilities, railroads, photovoltaic (solar-power related) and uninterruptible power supply (UPS), and motive-power applications including lift trucks, mining and other commercial vehicles. Further information about Exide, including its financial results, are available at www.exide.com.

About Axion Power International Inc

Axion has developed and patented a next generation energy storage device that won the prestigious Frost & Sullivan Technology 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 is not well suited to the requirements of important new applications like hybrid electric vehicles and renewable power."

Axion Power International Inc is the industry leader in the field of lead-acid-carbon energy storage technologies. Axion believes this new 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. 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 lead-based negative electrodes used by all other lead-acid battery manufacturers. Axion's future goal, after filling their plant's lead-carbon battery production, is to become the leading supplier of carbon electrode assemblies for the lead-acid battery industry.

For more information, visit www.axionpower.com.

Forward-Looking Statements/Exide Technologies

Except for historical information, this press release may be deemed to contain "forward-looking" statements. The Company desires to avail itself of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the "Act") and is including this cautionary statement for the express purpose of availing itself of the protection afforded by the Act. The Company undertakes no obligation to publicly update or revise any forward-looking statement in this or any prior forward-looking statements whether as a result of new information, future developments or otherwise.

Examples of forward-looking statements include, but are not limited to, (a) projections of revenues, cost of raw materials, income or loss, earnings or loss per share, capital expenditures, growth prospects, dividends, the effect of currency translations, capital structure and other financial items, (b) statements of plans and objectives of the Company or its management or Board of Directors, including the introduction of new products, or estimates or predictions of actions by customers, suppliers, competitors or regulating authorities, © statements of future economic performance and (d) statements of assumptions, such as the prevailing weather conditions in the Company's market areas, underlying other statements and statements about the Company or its business.

Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following general factors such as: (i) the Company's ability to implement and fund based on current liquidity business

strategies and restructuring plans, (ii) unseasonable weather (warm winters and cool summers) which adversely affects demand for automotive and some industrial batteries, (iii) the Company's substantial debt and debt service requirements which may restrict the Company's operational and financial flexibility, as well as imposing significant interest and financing costs, (iv) the fact that lead, a major constituent in most of the Company's products, experiences significant fluctuations in market price and is a hazardous material that may give rise to costly environmental and safety claims, (v) competitiveness of the battery markets in North America and Europe, (vi) general economic conditions, (vii) the Company's reliance on a single supplier for its polyethylene battery separators, (viii) the loss of one or more of the Company's major customers for its industrial and transportation products; and (ix) the ability of the Company's customers to pay for products and services in light of liquidity constraints resulting from global economic conditions and restrictive credit markets.

Therefore, the Company cautions each reader of this press release carefully to consider those factors set forth above and those factors described in the Company's annual report on Form 10-K filed on June 9, 2008 and its quarterly reports on Form 10-Q filed on August 8, 2008, November 6, 2008 and February 4, 2009, because such factors have, in some instances, affected and in the future could affect, the ability of the Company to achieve its projected results and may cause actual results to differ materially from those expressed herein.

Forward-looking Statements/Axion Power

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 Company's ability to expand its manufacturing capabilities and bring its new PbC® based battery products to market, the Company's belief that its completed products will be the only class of advance battery of its kind and that it will be a viable replacement for older generation lead-acid batteries. 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 for the Company to complete its development work, as well as the risks inherent in commercializing a new product (including technology risks, market risks, financial risks and implementation risks, and other risks and uncertainties affecting the Company), as well as other risks that have been 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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