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FOR IMMEDIATE RELEASE

Penford Corporation Declares Quarterly Dividend of \$0.06 Per Share

CENTENNIAL, CO, June 28, 2006 – Penford Corporation (Nasdaq: PENX) today announced that its Board of Directors declared the Company’s regular quarterly dividend following their June 27, 2006 meeting.

The Board declared a regular \$0.06 per share quarterly dividend payable September 1, 2006 to shareholders of record at the close of business August 11, 2006.

About Penford Corporation

Penford Corporation develops, manufactures and markets specialty natural-based ingredient systems for various applications, including papermaking, textiles and food products.

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