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FOR IMMEDIATE RELEASE

Penford Corporation Declares Quarterly Dividend of \$0.06 Per Share

CENTENNIAL, CO, January 31, 2008 – Penford Corporation (Nasdaq: PENX) today announced that its Board of Directors declared the Company’s regular quarterly dividend following their January 30, 2008 meeting.

The Board declared a regular \$0.06 per share quarterly dividend payable March 7, 2008 to shareholders of record at the close of business February 15, 2008.

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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