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Penford Completes Sale of New Zealand Operations

Centennial, CO; September 2, 2009--Penford Corporation announced today that the sale of its former subsidiary company, Penford New Zealand Limited, has been completed. Tom Malkoski, President & Chief Executive Officer, stated, "This sale is an important milestone in our plan to proceed with the disposal of our Australia/New Zealand Operations. We are grateful to our former co-workers at Penford New Zealand who have made significant contributions to Penford over the years, and we wish them well under their new ownership."

About Penford Corporation

Penford Corporation develops, manufactures and markets specialty, natural-based ingredient systems for industrial and food ingredient applications, including fuel ethanol. Penford has eight manufacturing and/or research locations in the United States and Australia.

The statements contained in this release that are not historical facts are forward-looking statements that represent management's beliefs and assumptions based on currently available information. Forward-looking statements can be identified by the use of words such as "believes," "may," "will," "looks," "should," "could," "anticipates," "expects," or comparable terminology or by discussions of strategies or trends. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot give any assurances that these expectations will prove to be correct. Such statements by their nature involve substantial risks and uncertainties that could significantly affect expected results. Actual future results could differ materially from those described in such forward-looking statements, and the Company does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Among the factors that could cause actual results to differ materially are the risks and uncertainties discussed in this release and those described from time to time in other filings with the Securities and Exchange Commission which include, but are not limited to, competition; the possibility of interruption of business activities due to equipment problems, accidents, strikes, weather or other factors; product development risk; changes in corn and other raw material prices and availability; the Company's inability to comply with the terms of instruments governing the Company's debt; the effects of the current economic recession as well as other changes in general economic conditions or developments with respect to specific industries or customers affecting demand for the Company's products, including unfavorable shifts in product mix; unanticipated costs, expenses or third party claims; the Company's inability to improve the performance of its Australia/New Zealand Operations or to implement its strategic plans with respect to that business; risk that results may be affected by construction delays, cost overruns, technical difficulties, nonperformance by contractors or changes in capital improvement project requirements or specifications; interest rate, chemical and energy cost volatility; foreign currency exchange rate fluctuations; changes in assumptions used for determining employee benefit expense and obligations; other unforeseen developments in the industries in which Penford operates; and other factors described in the "Risk Factors" section in reports filed by the Company with the Securities and Exchange Commission.