

**Northern Technologies International Corporation**  
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**FOR IMMEDIATE RELEASE**

**NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION  
ANNOUNCES INCREASE IN THIRD QUARTER FISCAL YEAR 2006  
SALES AND EARNINGS**

LINO LAKES, Minnesota, July 11, 2006 - Northern Technologies International Corporation (AMEX: NTI) announced today its operating results for third quarter fiscal year 2006.

The Company's net income increased \$0.28 per share or 178% to \$0.43 per share for the nine months ended May 31, 2006 compared to \$0.16 per share for the nine months ended May 31, 2005.

The Company's net sales increased 17.4% and 13.7% during the three and nine months ended May 31, 2006, respectively, as compared to the same respective periods in fiscal 2005 primarily as a result of the increase in demand of Zerust® products and of React-NTI products to new and existing customers in North America. Net sales of Zerust® products increased \$1,007,675 to \$8,869,216 and net sales of React-NTI products increased \$501,187 to \$3,630,477 for the nine months ended May 31, 2006 as compared to the same period in fiscal 2005.

Total net sales of all of the Company's joint ventures increased 19.0% to \$51,278,645 during the nine months ended May 31, 2006 as compared to \$43,082,226 during the same period in fiscal 2005 due to an increase in demand for product.

The Company's working capital was \$3,255,243 at May 31, 2006, including \$577,683 in cash and cash equivalents.

**About Northern Technologies International Corporation**

The Company focuses on developing, marketing and selling proprietary environmentally responsible materials science based products and technical services in over 50 countries worldwide via a network of joint ventures. In fiscal 2005, the Company's primary revenues derived from the sales of ZERUST® rust and corrosion inhibiting packaging products and services to the automotive, electronics, electrical, mechanical, military and retail consumer markets. During this same period, the Company also received revenues from sales of proprietary new technologies including anti-abrasion ink additives, as well as bio-based sintered metal mold release agents, bio-solvents, bio-emollients, bio-cleaners, bio-lubricants and fully bio-degradable plastic packaging. In a concerted effort to extend the Company's proprietary technologies, the Company engages in extensive scientific research and development programs in the areas of material science and corrosion protection.

**NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION AND SUBSIDIARY**

	Three Months Ended		Nine Months Ended	
	May 31, 2006	May 31, 2005	May 31, 2006	May 31, 2005
NORTH AMERICAN OPERATIONS:				
Sales	\$4,320,371	\$3,680,263	\$12,499,693	\$10,990,831
Cost of goods sold	2,759,360	2,185,636	7,803,716	6,533,684
Gross profit	1,561,011	1,494,627	4,695,977	4,457,147
Operating expenses:	1,575,723	1,277,346	4,546,808	4,492,898
NORTH AMERICAN OPERATING (LOSS) INCOME	(14,712)	217,281	149,169	(35,751)
INCOME FROM ALL CORPORATE JOINT VENTURES AND HOLDING COMPANIES				
	721,335	194,739	1,714,180	584,337
INTEREST INCOME	2,129	1,491	30,108	47,139
INTEREST EXPENSE	(19,886)	(9,949)	(55,392)	(13,263)
MINORITY INTEREST	(903)	9,053	(8,389)	3,789
INCOME BEFORE INCOME TAX EXPENSE	687,963	412,615	1,829,676	586,251
INCOME TAX (BENEFIT) EXPENSE	(30,000)	39,000	273,000	27,000
NET INCOME	\$717,963	\$373,615	\$1,556,676	\$559,251
NET INCOME PER COMMON SHARE:				
Basic	\$0.20	\$0.10	\$0.43	\$0.16
WEIGHTED AVERAGE COMMON SHARES ASSUMED OUTSTANDING:				
Basic	3,610,993	3,582,036	3,599,677	3,585,007

Composite financial information from the audited and unaudited financial statements of NTIC's joint ventures carried on the equity basis is summarized as follows:

	May 31, 2006	August 31, 2005
Current assets	\$32,168,174	\$27,305,426
Total assets	38,651,384	33,839,267
Current liabilities	13,629,511	13,388,740
Noncurrent liabilities	2,929,198	2,249,904
Joint ventures' equity	22,092,616	18,198,864
Northern Technologies International Corporation's share of Corporate Joint Ventures' equity	\$10,270,097	\$8,622,361
	Nine Months Ended	
	May 31, 2006	May 31, 2005
Net sales	\$51,278,645	\$43,082,226
Gross profit	23,901,140	20,621,346
Net income	4,351,355	3,064,050
Northern Technologies International Corporation's share of equity in income of Corporate Joint Ventures	\$2,117,612	\$1,495,156

For more information, please contact Matthew Wolsfeld, CFO, Northern Technologies International Corporation, (651) 784-1250