

July 3, 2012



Pacific Ethanol, Inc. Closes \$12.0 Million Public Offering of Common Stock and Warrants

SACRAMENTO, Calif., July 3, 2012 (GLOBE NEWSWIRE) --**Pacific Ethanol, Inc.** (Nasdaq:PEIX), the leading marketer and producer of low-carbon renewable fuels in the Western United States, announced it has closed its previously announced underwritten public offering of 28.0 million units at a public offering price of \$0.43 per unit, for gross offering proceeds of \$12.0 million. Each unit consists of (i) one share of common stock; (ii) one warrant to purchase one share of common stock ("Series I Warrant"); and (iii) one warrant to purchase 1/2 of a share of common stock ("Series II Warrant"). The shares of common stock and warrants are immediately separable and were issued separately. The warrants are exercisable immediately. The Series I Warrants have a 5-year term and an exercise price of \$0.63 per share. The Series II Warrants have an 18-month term and an exercise price of \$0.53 per share.

The company intends to use approximately \$10.0 million of the net proceeds from the offering together with senior unsecured notes in the original principal amount of approximately \$10.0 million, to purchase 33% of the outstanding ownership interests in New PE Holdco LLC, after which it will hold a 67.25% ownership interest in New PE Holdco LLC. The company intends to use the remainder of the net proceeds from the offering for general corporate purposes, which may include, among other things, working capital requirements, capital expenditures, acquisitions, and the repayment of outstanding indebtedness.

Lazard Capital Markets LLC acted as sole book-running manager for the offering. The securities described were sold pursuant to an effective registration statement on Form S-3 previously filed with, and declared effective by, the Securities and Exchange Commission. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities referred to in this press release.

About Pacific Ethanol, Inc.

Pacific Ethanol, Inc. (Nasdaq:PEIX) is the leading marketer and producer of low-carbon renewable fuels in the Western United States. Pacific Ethanol also sells co-products, including wet distillers grain (WDG), a nutritional animal feed. Serving integrated oil companies and gasoline marketers who blend ethanol into gasoline, Pacific Ethanol provides transportation, storage and delivery of ethanol through third-party service providers in the Western United States, primarily in California, Arizona, Nevada, Utah, Oregon, Colorado, Idaho and Washington. Pacific Ethanol has a 34% ownership interest in New PE Holdco LLC, the owner of four ethanol production facilities. Pacific Ethanol operates and manages the four ethanol production facilities, which have a combined annual production capacity of 200 million gallons. The facilities in operation are located in Boardman, Oregon,

Burley, Idaho and Stockton, California, and one idled facility is located in Madera, California. The facilities are near their respective fuel and feed customers, offering significant timing, transportation cost and logistical advantages. Pacific Ethanol's subsidiary, Kinergy Marketing LLC, markets ethanol from Pacific Ethanol's managed plants and from other third-party production facilities, and another subsidiary, Pacific Ag. Products, LLC, markets WDG. For more information please visit www.pacificethanol.net.

The Pacific Ethanol, Inc. logo is available at
<https://www.globenewswire.com/newsroom/prs/?pkgid=5940>

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

With the exception of historical information, the matters discussed in this press release including, without limitation, the ability of Pacific Ethanol to continue as the leading marketer and producer of low-carbon renewable fuels in the Western United States; and the ability of Pacific Ethanol to successfully close its purchase of additional ownership interests in New PE Holdco LLC, which is subject to various closing conditions, are forward-looking statements and considerations that involve a number of risks and uncertainties. The actual future results of Pacific Ethanol could differ from those statements. Factors that could cause or contribute to such differences include, but are not limited to, adverse economic and market conditions; changes in governmental regulations and policies; and other events, factors and risks previously and from time to time disclosed in Pacific Ethanol's filings with the Securities and Exchange Commission including, specifically, those factors set forth in the "Risk Factors" section contained in Pacific Ethanol's Form 10-K and the final prospectus relating to the offering filed with the Securities and Exchange Commission on March 8, 2012 and June 28, 2012, respectively.

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Source: Pacific Ethanol, Inc.