

March 27, 2008



Pacific Ethanol Closes \$40 Million Equity Investment by Lyles United, LLC

Company Obtains Necessary Waivers on Credit Agreement

SACRAMENTO, Calif., March 27 /PRNewswire-FirstCall/ -- Pacific Ethanol, Inc. (Nasdaq: PEIX) today announced that it has closed the transactions contemplated under its Securities Purchase Agreement dated March 18, 2008 with Lyles United, LLC. The Company sold (i) 2,051,282 shares of its Series B Cumulative Convertible Preferred Stock, all of which are initially convertible into an aggregate of 6,153,846 shares of the Company's common stock based on an initial three-for-one conversion ratio, and (ii) a warrant to purchase an aggregate of 3,076,923 shares of the Company's common stock at an exercise price of \$7.00 per share, for an aggregate purchase price of \$40 million.

In addition, the Company received waivers from its lenders as to defaults under its Credit Agreement.

"We are very pleased to extend our strategic relationship with the Lyles Companies with a \$40 million equity investment in Pacific Ethanol. The investment shows confidence in our strategy, immediately strengthens our balance sheet, and keeps us on track to achieve our annual operating capacity goal of 220 million gallons in 2008," said Neil Koehler, President and CEO.

Additional information on the equity investment and the waivers can be found in the Company's Forms 8-K and 10-K filed today with the Securities and Exchange Commission.

Earnings Call

The Company will host a live conference call at 10:00 AM ET on March 31, 2008. To listen to the conference call by phone, United States callers may dial 866-383-8003. International callers may dial 617-597-5330. All callers should enter access code 20892643.

A link to the live audio webcast of the Company's earnings conference call can be found on the Company's website at www.pacificethanol.net.

Approximately one hour after the conclusion of the call, an audio replay of the call will be available. To listen to the replay by phone, United States callers may dial 888-286-8010. International callers may dial 617-801-6888. All callers should enter access code 27767518. The replay will be available through April 14, 2008.

About Pacific Ethanol, Inc.

Pacific Ethanol is the largest West Coast-based marketer and producer of ethanol. Pacific Ethanol has ethanol plants in Madera, California, and in Boardman, Oregon, and has two

additional plants under construction in Burley, Idaho, and in Stockton, California. Pacific Ethanol also owns a 42% interest in Front Range Energy, LLC which owns an ethanol plant in Windsor, Colorado. Central to Pacific Ethanol's growth strategy is its destination business model, whereby each respective ethanol plant achieves lower process and transportation costs by servicing local markets for both fuel and feed. Pacific Ethanol's goal is to achieve 220 million gallons per year of ethanol production capacity in 2008 and to increase total production capacity to 420 million gallons per year in 2010. In addition, Pacific Ethanol is working to identify and develop other renewable fuel technologies, such as cellulose- based ethanol production and bio-diesel.

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 are forward-looking statements 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, the ability of Pacific Ethanol to successfully and timely complete, in a cost-effective manner, construction of its ethanol plants under construction; the ability of Pacific Ethanol to obtain all necessary financing to complete the construction of its other planned ethanol production facilities; the ability of Pacific Ethanol to timely complete its ethanol plant build-out program and to successfully capitalize on its internal growth initiatives; the ability of Pacific Ethanol to operate its plants at their planned production capacities; the price of ethanol relative to the price of gasoline; the effect of federal and state governmental regulations on the demand for ethanol; and the factors contained in the "Risk Factors" section of Pacific Ethanol's Form 10-K filed with the Securities and Exchange Commission on March 27, 2008.

SOURCE Pacific Ethanol, Inc.