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Pacific Ethanol, Inc. Suspends Construction of Imperial Valley Ethanol Project

SACRAMENTO, Calif., Dec. 10 /PRNewswire-FirstCall/ -- Pacific Ethanol, Inc. (Nasdaq GM: PEIX), the largest West Coast-based marketer and producer of ethanol, today announced that it has suspended construction of its Imperial Valley project near Calipatria, California until market conditions improve.

Neil Koehler CEO observed, "We remain committed to completing our ethanol project in Imperial Valley. However, given current ethanol market conditions, we feel it is prudent and strategic to suspend construction until the market improves."

"Our Stockton and Magic Valley plants remain under construction, and in addition to our existing production capacity, we remain on target to attain our production capacity goal of 220 million gallons in 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 12, 2007.

SOURCE Pacific Ethanol, Inc.