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# **Ribbon-Cutting Ceremony Officially Marks the Opening of California's Largest Ethanol Plant**

## **New Stockton Facility Provides Boost to Local Economy and Environmental Innovation**

SACRAMENTO, Calif., Oct. 13 /PRNewswire-FirstCall/ -- Pacific Ethanol, Inc. (Nasdaq: PEIX), the leading West Coast-based marketer and producer of ethanol, officially marked the opening of its newest ethanol production facility in Stockton on Friday. The company held a grand opening and ribbon-cutting ceremony, joined by hundreds of community residents and leaders including Congressman Jerry McNerney and California Agriculture Secretary A.G. Kawamura, in celebrating the largest ethanol producing facility in California.

"We are excited to celebrate this milestone with the community," said Neil Koehler, Pacific Ethanol's President and CEO. "The start-up of our Stockton plant marks the achievement of our goal of 220 million gallons of annual production capacity and dramatically increases the availability of renewable fuels produced in the state of California."

The 60 million gallon per year Stockton facility is located at the Port of Stockton, with access to water, rail and road transportation. This San Joaquin Valley destination is home to over one million dairy cows, providing a ready local market for wet distiller's grains (WDG) and other ethanol co- products. The facility will process 21 million bushels of corn per year, producing both ethanol and 500,000 tons of WDG annually for the use by local dairies for feed products.

"The opening of this new ethanol facility not only advances the use of cleaner, renewable sources of energy, it is creating green collar jobs and bringing economic opportunities to the region," said Congressman McNerney. "That's an important step toward achieving long-term sustained economic growth and energy independence in the future."

Construction of the Stockton facility entailed a \$150 million investment. The construction phase generated 200 new construction and service-related jobs and provided a \$200-\$250 million boost to the economy. The plant will permanently employ 38 full time employees, will generate \$1.6 million in local tax revenues and help create 700 jobs economy wide.

"Ethanol reduces carbon dioxide emissions by up to 40 percent compared to conventional gasoline," said Pacific Ethanol's Chairman Bill Jones. "That, along with the boost to the local economy through economic investment, job creation and environmental stewardship, creates a long-term benefit for the region."

California Agriculture Secretary A.G. Kawamura added, "This facility will support our local

farmers by utilizing corn from the local region. It will also produce 500,000 tons of wet distillers grain to be used by local dairies for high protein feed. That's good for the environment, our farmers and helps with our energy security."

Officials were on hand from Pacific Gas & Electric to present Pacific Ethanol with \$642,000 in energy efficiency rebates for the use of smart green energy technologies in building the new facility. By installing efficient lighting, motors, heat recover devices, insulation and other energy efficient technologies, the new facility will provide annual energy cost savings of approximately \$1.3 million with a reduction in greenhouse gases by 771 tons. These innovative energy efficient technologies will further reduce greenhouse gas emissions.

Additional community leaders who attended the event included Fred Keeley, Treasurer, Santa Cruz County, W. Ronald Coale, Chairman, Port of Stockton and Al Torres, Vice President Customer Operations, PG&E.

About Pacific Ethanol, Inc.

Pacific Ethanol is the largest West Coast-based marketer and producer of ethanol. Pacific Ethanol has ethanol plants in Madera and Stockton, California; Boardman, Oregon; and Burley, Idaho. 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 has achieved its goal of 220 million gallons per year of ethanol production capacity in 2008 and has the goal 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 remaining ethanol plant 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; 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.