August 11, 2010

Pacific Ethanol Madera and Pacific Ethanol Stockton are Approved for California Ethanol Producer Incentive Program

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--  California ethanol production facilities are positioned to receive
    producer payment from California Energy Commission
--  Supports resumption of ethanol production in California
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SACRAMENTO, Calif., Aug. 11, 2010 (GLOBE NEWSWIRE) -- Pacific Ethanol, Inc. (Nasdaq:PEIX), the leading West Coast marketer and producer of low-carbon renewable fuels, received confirmation from the California Energy Commission accepting the participation by Pacific Ethanol Madera, LLC and Pacific Ethanol Stockton, LLC in the California Ethanol Producer Incentive Program (CEPIP). These plants have a combined annual production capacity of 100 million gallons. The CEPIP is designed to provide payments to eligible operating California ethanol producers under specific unfavorable economic conditions and requires reimbursement by participants to the state of any outstanding CEPIP payment balances under specifically identified favorable economic conditions. Current funding is subject to final adoption by the State of California for its 2011 fiscal year budget.

Neil Koehler, Pacific Ethanol's President and CEO, stated, "The state of California continues to lead the nation in supporting the production of low-carbon fuels. The recently approved CEPIP program combined with the state's Low-Carbon Fuel Standard set to begin on January 1, 2011, helps assure that California will meet the low-carbon fuel threshold requirements established by Governor Schwarzenegger. Ethanol produced in California contains the lowest carbon rating of all ethanol produced in the U.S. Consequently, we believe these production payments support the resumption of ethanol production in California."

California Ethanol Producer Incentive Program (CEPIP)

With the passage of AB 118 in 2007, the California Energy Commission has an annual program budget of approximately $100 million to support projects including those that develop and improve alternative and renewable low-carbon fuels; optimize alternative and renewable fuels for existing and developing engine technologies; produce alternative and renewable low-carbon fuels in California; and decrease, on a full fuel cycle basis, the overall impact and carbon footprint of alternative and renewable fuels and increase sustainability.

The CEPIP is one of many programs under AB 118 that support existing ethanol production in the state of California. The CEPIP limits total annual funding to $3 million per year for any single production facility. Details of the program can be found on the California Energy Commission's website and in the CEPIP manual, as follows:

http://www.energy.ca.gov/contracts/PON-09-607/PON-09-607_Ethanol_Application_Manual.pdf

About Pacific Ethanol, Inc.

Pacific Ethanol (Nasdaq:PEIX) is the leading West Coast marketer and producer of low-carbon renewable fuels and co-products, including wet distillers grain, or WDG, which is a highly desired 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, Nevada, Arizona, Oregon, Colorado, Idaho and Washington. Management seeks to choose destination plants with optimal distribution criteria for ethanol and co-products and currently manages two operating plants in Oregon and Idaho as well as two idled facilities in California. 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. Pacific Ethanol owns a 42% interest in Front Range Energy, LLC which owns an ethanol plant in Windsor, Colorado. 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 West Coast marketer and producer of low-carbon renewable fuels and co-products; the ability of California ethanol producers to resume production at plants located in California; the ability of the California plants to continue to qualify and ultimately receive payments under the California Ethanol Producer Incentive Program (CEPIP); and the ability of the state of California to fund CEPIP payments given California's challenging fiscal environment 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. The Company refers you to the "Risk Factors" section contained in Pacific Ethanol's Form 10-K filed with the Securities and Exchange Commission on March 31, 2010.

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