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Pacific Ethanol to Use Sugar to Further Diversify Its Feedstock

SACRAMENTO, Calif., Oct. 1, 2013 (GLOBE NEWSWIRE) --**Pacific Ethanol, Inc.** (Nasdaq:PEIX),the leading marketer and producer of low-carbon renewable fuels in the Western United States, announced that the Pacific Ethanol Plants entered into an agreement to purchase surplus raw beet sugar for use as ethanol feedstock.

The Pacific Ethanol Plants purchased 167 million pounds of surplus raw beet sugar to be blended with corn at the Pacific Ethanol Plants over the next year, representing feedstock for approximately 12 million gallons of ethanol. The sugar was purchased from the Commodity Credit Corporation, a division of the U. S. Department of Agriculture, through its Feedstock Flexibility Program. The purchase price represents a substantial discount to current and expected costs of delivered corn.

Neil Koehler, the company's president and CEO, stated, "We expect this purchase of sugar to significantly lower raw material costs for the Pacific Ethanol Plants and give us added flexibility and diversification in our feedstock sourcing. We built these plants to accommodate different feedstocks and we are pleased to see the advantage this purchase creates for the company and its shareholders."

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 nutritious 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 an 85% 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.

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; Pacific Ethanol's anticipated ethanol yields from the purchased sugar; and the effects of the purchased sugar on feedstock costs, flexibility and other benefits 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 filed with the Securities and Exchange Commission on April 1, 2013.


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