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Pacific Ethanol CEO Responds to EPA's Proposed Rules for 2014 Renewable Fuels Standard Targets

SACRAMENTO, Calif., Nov. 20, 2013 (GLOBE NEWSWIRE) --**Pacific Ethanol, Inc.** (Nasdaq:PEIX), the leading marketer and producer of low-carbon renewable fuels in the Western United States, issued the following statement from Neil Koehler, CEO, in response to the Environmental Protection Agency's (EPA) recently proposed reductions to the 2014 Renewable Fuel Standard (RFS) targets:

"The RFS is the single most effective energy policy this country has ever had to reduce our dependence on foreign oil, develop renewable fuels as a meaningful alternative to fossil fuels, and reduce carbon emissions from transportation while boosting the economy and lowering the cost of gasoline to consumers. Importantly, the policy is spurring innovation in new advanced biofuels as substitutes for both gasoline and diesel. The renewable fuels industry, with its existing infrastructure, stands ready to deliver the levels of renewable fuels in 2014 set by the RFS.

The EPA proposes to use what we view as questionable regulatory discretion to lower the 2014 renewable fuels targets. We believe that the EPA's proposed ruling is incompatible with the already achievable objectives of the RFS and will squander the opportunity to optimize the environmental, energy and economic benefits of this valuable policy. The market for renewable fuels is ready for continued growth. Seventy percent of the vehicles on the road today have been approved by the EPA for the use of up to fifteen percent ethanol blends. Additionally, over 15 million E85 vehicles are on the road today with over 3,000 fueling stations offering E85 across the country. We and other stakeholders will emphasize these points to the EPA during the comment period. We hope the final rule will be revised to better reflect the intentions and the promise of the RFS.

The ethanol industry remains on strong footing. A record corn harvest and lower corn prices support the economics of ethanol production and blending. Ethanol is the lowest cost transportation fuel in the world. Domestic demand is strong and exports have increased significantly in recent weeks. Ethanol production margins are currently at their highest levels for all of 2013. We believe, regardless of the final EPA ruling, that the demand for ethanol will remain strong in 2014 as the compelling economics of ethanol blending will support a tight supply and demand balance, sustaining strong industry margins.

Pacific Ethanol benefits from California's Low-Carbon Fuel Standard (LCFS). We expect similar standards in both Oregon and Washington. LCFS policies provide an additional boost to Pacific Ethanol outside of the federal RFS. The LCFS adds a premium price to the low carbon ethanol we produce and sell in California and supports our efforts to expand production, diversify our feedstocks and develop new technologies to further lower the carbon intensity of ethanol we produce.

Pacific Ethanol has made significant strides this year: we strengthened our balance sheet; reduced and extended all maturing debt and retired all but $250,000 of our convertible debt financing; we increased our ownership position in our production facilities, which enabled us to benefit from what are currently the year's best production margins and produce positive operating margins for the past two quarters; we introduced alternative, lower-cost feedstocks such as beet sugar and sorghum, and created additional revenue streams through corn oil production; and the LCFS is supporting technology innovation in our plants, further advancing our competitive position. We remain very optimistic about the company's future."

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; the effects of lower 2014 renewable fuels targets; expected supply and demand for ethanol, and growth in the renewable fuels industry; expected margins; and the anticipated enactment and effects of legislation supporting low-carbon renewable fuels 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, unexpected 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 most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 1, 2013.

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