

December 16, 2013



Pacific Ethanol Enters Into Agreements to Reduce Debt and Increase Ownership in Pacific Ethanol Plants to 91%

SACRAMENTO, Calif., Dec. 16, 2013 (GLOBE NEWSWIRE) --**Pacific Ethanol, Inc.** (Nasdaq:PEIX), the leading marketer and producer of low-carbon renewable fuels in the Western United States, announced it has entered into agreements to reduce the principal amount of its senior notes by \$2.0 million by issuing 500,000 shares of common stock. The company's common stock is valued in the transaction at \$4.00 per share, the closing price on December 13, 2013. Reducing the principal on the senior notes by \$2.0 million ensures that the company will avoid scheduled interest rate increases, locking in an annual rate of five percent for the remaining term of the senior notes.

The company also entered into agreements to purchase an aggregate of 6% of additional ownership interests in New PE Holdco LLC, the owner of the Pacific Ethanol plants, for a total cash purchase price of \$500,000. The acquisition will increase the company's ownership interest in the Pacific Ethanol plants to 91%.

Neil Koehler, the company's president and CEO, stated: "These transactions reduce principal and future interest on our senior debt and increase our ownership of the Pacific Ethanol plants at an attractive valuation. The company is currently benefitting from the best operating margins of the year and this increase in ownership is immediately accretive to earnings."

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. Upon closing the transactions noted in this release, Pacific Ethanol will have a 91% 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; and our ability to close the transactions noted in this release, which transactions are subject to a number of closing conditions, 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.

CONTACT: Company IR Contact:
Pacific Ethanol, Inc.
916-403-2755
866-508-4969
Investorrelations@pacificethanol.net

IR Agency Contact:
Becky Herrick
LHA
415-433-3777

Media Contact:
Paul Koehler
Pacific Ethanol, Inc.
916-403-2790
paulk@pacificethanol.net

Source: Pacific Ethanol, Inc.