

July 28, 2014



Pacific Ethanol Awarded \$3 Million Grant to Support Sorghum Feedstock Program

SACRAMENTO, Calif., July 28, 2014 (GLOBE NEWSWIRE) --**Pacific Ethanol, Inc.** (Nasdaq:PEIX), the leading producer and marketer of low-carbon renewable fuels in the Western United States, announced it was awarded a \$3 million matching grant from the California Energy Commission to develop a sorghum feedstock program collaboratively with Chromatin, Inc., CSU Fresno's Center for Irrigation Technology and the Kearney Agricultural Research and Extension Center. This undertaking also includes the California In-State Sorghum Program to support a lasting expansion in California's ability to produce low-carbon ethanol from in-state feedstock that meets both the renewable fuel and greenhouse gas reduction goals stipulated under the federal Renewable Fuel Standard and California's Low-Carbon Fuel Standard.

Neil Koehler, the company's president and CEO, stated: "We are honored to receive this important grant, which supports Pacific Ethanol's collaboration with California Agriculture and the other ethanol producers in California toward the long-term development of sorghum feedstock for advanced biofuel production at both our Madera and Stockton California facilities."

About Pacific Ethanol, Inc.

Pacific Ethanol, Inc. (PEIX) is the leading producer and marketer of low-carbon renewable fuels in the Western United States. Pacific Ethanol also sells co-products, including wet distillers grain ("WDG"), a 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, Arizona, Nevada, Utah, Oregon, Colorado, Idaho and Washington. Pacific Ethanol has a 91% ownership interest in PE Op Co., 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. These operating facilities are located in Boardman, Oregon, Burley, Idaho, Stockton, California, and 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.com.

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 leading producer and

marketer of low-carbon renewable fuels in the Western United States; Pacific Ethanol's receipt and use of funds from the California Energy Commission; and Pacific Ethanol's ability to develop sorghum feedstock for advanced biofuel 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; lack of funding; unsuccessful results of Pacific Ethanol's sorghum feedstock program; 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-Q filed with the Securities and Exchange Commission on May 9, 2014.

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