



# **Pacific Ethanol, Inc. Extends Maturity of Senior Notes, Amends Term Loans and Enters into Letters of Intent to Sell Certain Assets**

- **Senior Secured Notes maturity extended two years to December 15, 2021**
- **Scheduled principal payments on Senior Secured Notes and Pekin Term Loan deferred until September 2020**
- **Existing financial covenants waived on Pekin and ICP credit facilities**
- **Entered into non-binding letters of intent to sell certain assets**

SACRAMENTO, Calif., Dec. 23, 2019 (GLOBE NEWSWIRE) -- **Pacific Ethanol, Inc. (NASDAQ: PEIX)**, a leading producer and marketer of low-carbon renewable fuels and high-quality alcohol products in the United States, entered into long-term amendments to its senior secured notes and to its term loans with CoBank and Compeer Financial for its Pekin and Illinois Corn Processing plants.

Neil Koehler, Pacific Ethanol's president and CEO, stated, "We are pleased to announce that we have finalized agreements with all of our lenders to improve our liquidity and give us the runway to complete our strategic initiatives, the successful conclusion of which will result in an improved balance sheet and a stronger company."

## **Senior Secured Notes**

Pacific Ethanol has entered into an amendment extending the final maturity of the company's senior secured notes by two years to December 15, 2021. The amendment provides for scheduled principal payments of \$5.0 million per quarter commencing on September 30, 2020. In connection with the amendment, Pacific Ethanol issued approximately 5.5 million shares of common stock and three-year warrants to purchase up to 5.5 million shares of common stock at \$1.00 to the senior secured noteholders. The warrants have a mandatory cash exercise once the company's stock price trades at \$1.50 for a stated period, and all proceeds of the warrants will be used to repay the senior secured notes.

## **Pekin Credit Facilities**

Pacific Ethanol Pekin, LLC, entered into an amendment to its credit agreement to fully waive prior covenant violations and to defer \$10.5 million of scheduled principal payments until the term loan maturity date of August 20, 2021. In addition, Pekin is not required to make scheduled principal payments until September 30, 2020, at which time \$3.5 million will be

due, with the same amount due quarterly thereafter until maturity.

Illinois Corn Processing, LLC, entered into an amendment to its credit agreement to defer the scheduled principal payment of \$1.5 million, originally due on December 20, 2019, to the maturity date of September 20, 2021. Scheduled principal payments of \$1.5 million per quarter will resume March 20, 2020.

Bryon McGregor, Pacific Ethanol's CFO, said, "The restructuring of our agreements with our bank lenders and our senior noteholders gives us additional financial flexibility and more importantly, reflects the confidence our stakeholders have in Pacific Ethanol to capitalize on the long-term opportunities for our company in the overall ethanol market."

### **Letters of Intent to Sell Certain Assets**

Pacific Ethanol continues to progress its strategic initiatives. This process may result in the sale of assets, mergers, partnerships, financings or other transactions to strengthen the company's balance sheet and maximize shareholder value. The company has signed letters of intent on asset sales and will provide material updates as appropriate.

Further details on the amendments to the credit agreements and amendments to the senior notes can be found in the company's Form 8-K to be filed with the Securities and Exchange Commission.

### **About Pacific Ethanol, Inc.**

Pacific Ethanol, Inc. (PEIX) is a leading producer and marketer of low-carbon renewable fuels and high-quality alcohol products in the United States. Pacific Ethanol owns and operates nine production facilities, four in the Western states of California, Oregon and Idaho, and five in the Midwestern states of Illinois and Nebraska. The plants have a combined production capacity of 605 million gallons per year, produce over one million tons per year of ethanol co-products – on a dry matter basis – such as wet and dry distillers grains, wet and dry corn gluten feed, condensed distillers solubles, corn gluten meal, corn germ, corn oil, distillers yeast and CO<sub>2</sub>. Pacific Ethanol markets and distributes fuel-grade ethanol, high-quality alcohol products and co-products domestically and internationally. Pacific Ethanol's subsidiary, Kinergy Marketing LLC, markets all ethanol and alcohol products for Pacific Ethanol's plants as well as for third parties, approaching one billion gallons of ethanol marketed annually based on historical volumes. Pacific Ethanol's subsidiary, Pacific Ag. Products LLC, markets wet and dry distillers grains. For more information please visit [www.pacificethanol.com](http://www.pacificethanol.com).

### **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

Statements and information contained in this communication that refer to or include Pacific Ethanol's estimated or anticipated future results or other non-historical expressions of fact are forward-looking statements that reflect Pacific Ethanol's current perspective of existing trends and information as of the date of the communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "should," "estimate," "expect," "forecast," "outlook," "guidance," "intend," "may," "might," "will," "possible," "potential," "predict," "project," or other similar words, phrases or expressions. Such forward-looking statements include, but are not limited to, the anticipated outcome of Pacific Ethanol's strategic initiatives, including asset sales currently the subject of letters of intent; and Pacific Ethanol's plans, objectives, expectations and intentions. It is important to

note that Pacific Ethanol's plans, objectives, expectations and intentions are not predictions of actual performance. Actual results may differ materially from Pacific Ethanol's current expectations depending upon a number of factors affecting Pacific Ethanol's business. These factors include, among others, adverse economic and market conditions, including for ethanol and its co-products and high-quality alcohols; export conditions and international demand for ethanol and co-products, including the failure of a resolution of United States trade disputes with China; fluctuations in the price of and demand for oil and gasoline; raw material costs, including ethanol production input costs, such as corn and natural gas; and the ability of Pacific Ethanol to timely and successfully execute on its strategic initiatives, including the closing of asset sales currently the subject of letters of intent, which are anticipated to be subject to customary and other closing conditions. These factors also include, among others, the inherent uncertainty associated with financial and other projections; the anticipated size of the markets and continued demand for Pacific Ethanol's products; the impact of competitive products and pricing; the risks and uncertainties normally incident to the ethanol production and marketing industries; changes in generally accepted accounting principles; successful compliance with governmental regulations applicable to Pacific Ethanol's facilities, products and/or businesses; changes in laws, regulations and governmental policies; the loss of key senior management or staff; 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 November 12, 2019.

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