May 29, 2008

Pacific Ethanol Closes $28.5 Million Financing

- Pacific Ethanol closes on Registered Direct Offering of Common Stock and Warrants for gross proceeds of $28.5 million.

- Proceeds will strengthen Company's balance sheet and provide working capital.

SACRAMENTO, Calif., May 29 /PRNewswire-FirstCall/ -- Pacific Ethanol, Inc. (Nasdaq: PEIX) today announced that it has completed a Registered Direct Offering, which was previously announced on May 23, 2008. This transaction raised $28.5 million in gross proceeds, before deducting placement agent's fees and estimated offering expenses, through the sale of 6.0 million units, each unit consisting of one share of common stock and one warrant to purchase 0.50 shares of common stock, at a purchase price of $4.75 per unit. The warrants will first become exercisable after six months from the closing of the financing at a price of $7.10 per share.

"This investment of $28.5 million immediately strengthens our balance sheet, supports Pacific Ethanol's goal of being a low cost producer of ethanol, and positions us for continued growth of our company," said Neil Koehler, President and CEO.

About Pacific Ethanol, Inc.

Pacific Ethanol is the largest West Coast-based marketer and producer of ethanol. Pacific Ethanol has ethanol plants in Madera, California; Boardman, Oregon; and Burley, Idaho and has an additional plant under construction in Stockton, California. Pacific Ethanol also owns a 42% interest in Front Range Energy, LLC which owns an ethanol plant in Windsor, Colorado. Central to Pacific Ethanol's growth strategy is its destination business model, whereby each respective ethanol plant achieves lower process and transportation costs by servicing local markets for both fuel and feed. Pacific Ethanol's goal is to achieve 220 million gallons per year of ethanol production capacity in 2008 and to increase total production capacity to 420 million gallons per year in 2010. In addition, Pacific Ethanol is working to identify and develop other renewable fuel technologies, such as cellulose-based ethanol production and bio-diesel.

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 are forward-looking statements 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, the ability of Pacific Ethanol to successfully and timely complete, in a cost-effective manner, construction of its ethanol plants under construction; the ability of Pacific Ethanol to obtain all necessary financing to complete the construction of its other planned ethanol production facilities; the ability of Pacific Ethanol to timely complete its ethanol plant build-out program and to successfully capitalize on its internal growth initiatives; the ability of Pacific Ethanol to operate its plants at their planned production capacities; the price of ethanol relative to the price of gasoline; the effect of federal and state governmental regulations on the demand for ethanol; and the factors contained in the "Risk Factors" section of Pacific Ethanol's Form 10-K filed with the Securities and Exchange Commission on March 27, 2008.

SOURCE Pacific Ethanol, Inc.