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Pacific Ethanol, Inc. Closes Acquisition Increasing Ownership Interest in Plants to 67%

SACRAMENTO, Calif., July 19, 2012 (GLOBE NEWSWIRE) --**Pacific Ethanol, Inc.** (Nasdaq:PEIX), the leading marketer and producer of low-carbon renewable fuels in the Western United States, announced that it closed its acquisition of an additional 33% ownership interest in New PE Holdco LLC, the owner of the Pacific Ethanol plants. The acquisition was previously announced on June 27, 2012.

Neil Koehler, the company's president and CEO, stated: "With the closing of this transaction, we have regained majority ownership over the Pacific Ethanol plants and have significantly improved our liquidity position. This important accomplishment enables us to direct strategic investments in enhancing the financial performance of our assets, while reducing our overhead costs."

The company now holds a 67% ownership interest in New PE Holdco LLC. The aggregate purchase price of the 33% ownership interest was \$20.0 million. On July 13, 2012, the company paid \$10.0 million in cash and issued \$10.0 million in aggregate principal amount of senior unsecured notes to the sellers. The notes are due April 13, 2013 and accrue interest at a rate of 5% per annum.

The amendment to the Pacific Ethanol plants' credit agreement extends the maturity date in respect of \$46.7 million of the combined term debt and revolving credit facility from June 25, 2013 to June 30, 2016. In addition, certain lenders increased the amount of the plants' \$35.0 million revolving credit facility to up to \$40.0 million to provide an additional \$5.0 million in immediate liquidity for the plants' operations.

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 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 67% 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.

The Pacific Ethanol, Inc. logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=5940>

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, 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 and the final prospectus relating to a public offering filed with the Securities and Exchange Commission on March 8, 2012 and June 28, 2012, respectively.

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