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Pacific Ethanol Announces Agreement to Sell CO2 From Its Columbia Plant in Boardman, Oregon

SACRAMENTO, Calif., Sept. 15, 2014 (GLOBE NEWSWIRE) --**Pacific Ethanol, Inc.** (Nasdaq:PEIX), the leading producer and marketer of low-carbon renewable fuels in the Western United States, announced its agreement with Kodiak Carbonic, LLC to sell CO_2 from the Pacific Ethanol Columbia plant located in Boardman, Oregon. Kodiak plans to construct a liquefaction and dry ice processing plant adjacent to the Columbia facility and expects to purchase up to 200 tons of CO_2 per day to sell to food processing and beverage producers.

Neil Koehler, the company's president and CEO, said: "The opportunity to utilize the CO_2 from our ethanol production process as another co-product for sale further diversifies our revenues and improves Pacific Ethanol's profitability. We anticipate the new CO_2 processing plant in Boardman to begin operations in early 2015 and to contribute approximately one to two cents per gallon in operating income."

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 96% 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; the volume and timing, including the expected commencement, of CO_2 sales; and the contribution of CO_2 sales to diversifying Pacific Ethanol's revenue streams and to Pacific Ethanol's profitability 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; the inability to finance or implement the CO_2 processing plant; 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 August 14, 2014.

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