Pacific Ethanol, Inc.

NASDAQ: PEIX

Stock price (as of 5/15/15):	$12.94
52-week Price Range:	$7.51-$23.97
Shares outstanding (as of 5/11/15):	24.7M
Market cap:	$319.6M
Fiscal Year End:	December 31

Pacific Ethanol, Inc. (NASDAQ: 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.

Operating four bio refineries strategically located in the Western U.S. with a total of 200M gallons of annual ethanol production capacity

The leading producer & marketer of low-carbon renewable fuels in the Western U.S.

Ethanol

Wet Distillers Grain

Corn Oil

First Quarter 2015 Financial Summary

Q1 2015 Financial Results:

- Net sales of $206.2M
- Total gallons sold of 135.7 million
- Net loss of $4.7 million reflecting…
  - Higher ethanol industry inventory levels
  - Seasonally lower transportation fuel demand
  - Compressed production margins

Efforts to diversify revenue streams, improve plant efficiencies & strengthen balance sheet helped mitigate the negative impacts from seasonal downturns

Merger Agreement with Aventine Renewable Energy

On Dec. 31, 2014, Pacific Ethanol, Inc. and Aventine Renewable Energy Holdings, Inc. announced a definitive merger agreement under which Pacific Ethanol is to acquire all of the outstanding shares of Aventine in a stock-for-stock merger.

- Connects destination & origin market strategies, providing synergies in production & marketing
- Expands marketing reach into new markets & extends co-product mix
- Increases combined annual production capacity to 515 MGY with marketing volume to 800 MGY

Diversifying Revenue & Feedstock

- Corn oil provides additional operating income
- Producing at the Stockton, Magic Valley & Madera facilities
- Planning to implement corn oil separation technology at Columbia plant in Q2’15
- Using advanced grinding technology to increase corn oil production & ethanol yields

Strong Long-term Demand for Ethanol

- Ethanol remains **the cheapest** transportation fuel on the planet[1]
- Regulations & fundamental economics of ethanol drive demand
- Increasing exports provide additional balance to supply & demand
- Year-to-date US exports through March totaled 234 million gallons[2]

(1) Source: Renewable Fuels Association
(2) Source: U.S. Energy Information Administration

Strategy for Advanced Biofuels

Moving toward producing next-generation renewable fuels

Exploring use of alternative feedstocks, implementing production enhancements & using new technologies while leveraging existing facilities

Diversifying Revenue

- Installing corn oil separation technology
  - Now producing at Madera
  - Expect to begin production in Boardman during Q2

Improving Plant Efficiencies

- Increasing corn yield over time by investing in mechanical technology such as fine grinding & optimizing enzyme & chemical treatments
- Many additional projects in various phases of development aimed at reducing production costs

2015 Goals

- Close Aventine Renewable Energy merger: expected Q2’15
- Integrate production & marketing supply chains
- Improve efficiencies, lower the carbon intensity of ethanol produced, create new revenue streams & further advanced biofuels initiatives

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