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.

Ethanol remains the cheapest transportation fuel on the planet<sup>1</sup>

Regulations & fundamental economics of ethanol drive demand
Increasing exports provide additional balance to supply & demand
2013 U.S. exports totaled 605 million gallons - 2014 U.S. exports to date demonstrate significant increase year-over-year

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Differentiated with Destination Model & Western U.S. Locations

Now operating all four bio refineries strategically located in the Western U.S., with a total of 200M gallons of annual production capacity
- Destination model reduces transport costs & lowers carbon footprint
- Locations provide quick access to ethanol & feed customers
- Source, quality & supply of feedstock optimized by plant locations
- Commenced ethanol production at Madera on April 30, 2014

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Poised to capitalize on strategic growth opportunities

- Execute CAPEX projects to enhance plant assets
- Leverage core competencies & differentiated advantages
- Integrate production and marketing supply chains
- Grow market share and return value to shareholders

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NASDAQ: PEIX
Stock price (as of 11/11/14): $14.22
52-week Price Range: $2.33-$23.97
Shares outstanding (as of 11/11/14): 24.5M
Market cap: $348.4M
Fiscal Year End: December 31

<sup>1</sup> Source: Renewable Fuels Association
**Pacific Ethanol, Inc.**

**Goals for 2014: Improve long-term profitability and expand market share**
- **Capital improvements:** improve efficiencies, diversify feedstock, pursue advanced biofuel initiatives
- **Strengthen financial position:** maintain strong cash flow and refinance/repay legacy debt

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**Strong Q3’14 Results**

- Total revenue grew 18%
- Record 134M gallons sold
- Net income $3.7M or $0.15 per diluted share
- Adjusted net income $8.1M or $0.33 per diluted share
- Adjusted EBITDA $15.5M
- 2014 on pace to be a record year

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**Improved Operating Efficiencies**

- Increased plant ownership to 96%
- Restarted production at 40 MGY Madera, CA plant
- Developed incremental revenue streams
- Reduced overhead expenses

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**Reduced Debt**

- Raised gross proceeds of $28M through underwritten offering
- Eliminated all parent company debt
- Reduced net consolidated plant term debt to $17M
- Cash on hand of $56M at 9/30, which exceeds debt obligations

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**Diversifying Revenue & Feedstock**

- Corn oil provides additional operating income
- Produced at the Stockton & Magic Valley facilities
- Using advanced grinding technology to increase corn oil production & ethanol yields
- Planning to implement corn oil separation technology at Madera & Columbia plants

- Feedstock diversification strategy lowers material costs & improves operating margins

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**Strategy for Advanced Biofuels**

*Moving toward producing next-generation renewable fuels*

- Exploring use of alternative feedstocks and implementing production enhancements & new technologies while leveraging existing facilities