

## Pacific Ethanol Closes Escrow on Grain Facility for Ethanol Plant

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### Pacific Ethanol acquires new grain facility at bankruptcy auction to provide momentum for the company

Pacific Ethanol, Inc.(PEI), a private company based in Fresno, California announced today that it has successfully acquired the Coast Grain facility in Madera. The brand new state-of-the-art grain processing facility sits on 137 acres 10 miles north of Fresno. The facility has substantial infrastructure required for a California ethanol plant including a 54 car and a 110 car rail loop. The site has 49,000 tons of grain storage, a fully automated feed mill and 3000 square foot of newly renovated office space.

The 110 car rail loop allows the facility to ship shuttle trains of corn from any region of the country giving PEI a substantial advantage over many ethanol producers. The facility has the ability to unload a shuttle train of 11,000 tons of corn in less than 15 hours allowing PEI to capitalize on railroad freight incentives. Pacific Ethanol expects to bring 80% of the corn for the ethanol plant via rail from the Midwest and 20% from local farmers.

The Madera grain facility was recently completed by Coast Grain just after filing chapter 11 bankruptcy. PEI acquired the facility at a fraction of the total construction cost to Coast grain. The facility as built is the largest corn rolling facility in the state in a market in which there is already an over capacity of such facilities. The facility as an ethanol plant will add value to the community, the local economy and the environment.

PEI Chief Executive Officer Neil Koehler said “this acquisition gives our company tremendous momentum to build an ethanol plant. Madera County has already given the approval that the facility is permitted for such a plant.



Pacific Ethanol, Inc.



Latest Stock Quote

- **Symbol:** PEIX
- **Last Trade:** 9.11
- **Trade Time:** 3:59pm

PEI Chief Operating Officer Ryan Turner said “the Madera facility is the ideal site for California’s first large scale ethanol plant. Madera sits in the middle of the largest dairy region in the world and will distribute the feed byproduct to both the southern and the northern dairy sheds. An ethanol plant is the highest and best use for this facility – we are pleased that we will be able to take a failed facility and turn it into something that the whole valley can be proud of.

Pacific Ethanol was founded in January by former Secretary of State and farmer Bill Jones to build the first large scale ethanol plant in California.

#### Ethanol Facts:

Ethanol use in California has increased from 50 million gallons per year in 2002 to over 700 million gallons in 2003 due to the State’s ban on MTBE. However, California currently produces only 8 million gallons per year and imports the rest from the Midwest via rail.

- **Trade Date:**  
11/9/2005
- **Change:** 0.00
- **High:** N/A
- **Low:** N/A

Ethanol, a renewable fuel, reduces carbon dioxide (greenhouse gases) by over 35% compared to gasoline. If all the gasoline in California were blended with ten percent ethanol today, the state would reduce CO2 emissions by 6.4 million tons per year compared to straight gasoline.

Ethanol has been on average 30 cents per gallon less expensive than gasoline over the last three years, helping to lower prices to end consumers. In addition, ethanol use decreases the nation's dependence on foreign oil by substituting a locally grown, renewable fuel for imported oil.

A typical ethanol facility will:

- Expand the economic base of a community by \$110 million
- Support the creation of as many as 694 new jobs
- Employ over 30 direct jobs
- Create over \$140 million dollars in a onetime boost to the economy

**What others are saying about the California ethanol opportunity:**

*Fred Keeley, Former Speaker Pro Tem, Executive Director, Planning and Conservation League: "Renewable fuels such as ethanol have the potential to further reduce petroleum use and to help reduce the greenhouse gas reductions required by AB 1493."*

*Bill Pauli, Executive Director, California Farm Bureau Federation: "Ethanol will bring both large environmental and economic benefits not only to our state's agriculture sector but also to the whole state."*

*Bill Jones, Former Chairman (PEI): "As a farmer and politician, I've followed the ethanol issue for many years and have always thought that California – the largest agricultural state in the nation – ought to take advantage of the ethanol opportunity. It just makes good common sense. Let's grow our own fuel – create economic development, provide markets for farm goods, help alleviate our dependence on foreign oil and help on some environmental issues such as air quality improvement and CO2 reduction."*

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