



Pacific Ethanol, Inc.

CONTACT:
Pacific Ethanol
Neil Koehler 530-750-3017

Weber Shandwick
Emily Brandwin: 310-854-8263

PEI tells it like it is with ethanol energy balance.

Production guarantee numbers show overwhelming positive energy balance.

Fresno, CA (July 20, 2005) –

Comments by Bill Jones, Chairman of Pacific Ethanol (PEI) regarding recent media reports on the positive energy balance of ethanol:

“In our view Ethanol a renewable fuel produced in a large part by the sun, has an overwhelmingly positive energy balance compared to gasoline. PEI’s actual guaranteed energy inputs – the inputs guaranteed by our technology company – show the Pimentel analysis to be off by 7% for yield, 50% off for process heat energy and 66% off for electrical energy. These real life numbers agree with the majority of academics and researchers and on the ground entrepreneurs who are all seeing very positive energy balances for ethanol. A recent USDA study shows ethanol to have a positive 167% energy balance.”

“There has been study after study that showing a positive energy balance for ethanol. It only makes sense. Ethanol is a renewable fuel, produced from plant matter that gets most of its energy from the sun.”

“Let’s be clear, ethanol helps reduce gasoline prices by adding critical supply. The wholesale price of ethanol is over 60 cents cheaper than gasoline. Ethanol helps alleviate the need for imported oil and decreases our energy dependence. As important, ethanol production stimulates valuable job growth and economic development to communities throughout America. And lastly, ethanol is an effective way to

559.435.1771
5711 N. WEST AVENUE
FRESNO, CALIFORNIA 93711
www.pacificethanol.net

reduce CO₂ from our transportation sector. For these reasons we believe ethanol will and should play an increasingly key role in our country's transportation future.”

Links to studies showing positive energy balance for ethanol.

<http://devafdc.nrel.gov/pdfs/5700.pdf>

http://www.ethanolrfa.org/net_energy_balance_2004.pdf

<http://www.pewclimate.org/docUploads/ustransp%2Epdf>

(http://www.agriculture.com/ag/story.jhtml?storyid=/templatedata/ag/story/data/agNews_050328crETHANOL.xml&catref=ag1001, March 2005.)

(http://www.ncga.com/public_policy/issues/2001/ethanol/08_22_01b.htm)

About Pacific Ethanol, Inc.

Pacific Ethanol's mission is to produce and distribute renewable fuels to people around the world.

Established in 2003, Pacific Ethanol, Inc. is planning to construct a large-scale ethanol production facility in Madera, California. Kinergy Marketing, a wholly-owned subsidiary of the Company, is the largest West Coast-based marketer of renewable fuels. Once the Company has successfully constructed its ethanol production facility, it plans to identify and develop new renewable fuels and technologies such as cellulose-based ethanol production.



Pacific Ethanol, Inc.

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 are forward-looking statements 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, the ability of Pacific Ethanol to obtain all necessary funding to complete construction of the planned ethanol production facility at its Madera County, California site and, assuming all such funding is obtained, the ability of Pacific Ethanol to successfully complete construction of the plant, the ability of Pacific Ethanol to successfully capitalize on its internal growth initiatives, the U.S. Senate's failure to adopt a versions of the proposed national energy bill that results in an increase in demand for ethanol in the United States and those factors contained in the "Risk Factors" section of Pacific Ethanol's Form 10-QSB for the quarterly period ended March 31, 2005.

559.435.1771
5711 N. WEST AVENUE
FRESNO, CALIFORNIA 93711
www.pacificethanol.net